Daily Report

East Europe

FBIS-EEU-95-221
Thursday
16 November 1995

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Former Cassation Court Chairman Leaves for U.S.
AU1511144595

[FBIS Editorial Report] Tirana KOHA JONE in Albanian on 14 November carries reportage on and an interview with Zef Brozi just before his departure for the United States.

On pages 1 and 4 KOHA JONE carries a report by A. Peza entitled "Zef Brozi 'Defects' to the United States." The report says that "former Cassation Court Chairman Zef Brozi and his wife, Diana, left their house in the capital to go to the United States on Sunday [12 November] morning." It goes on, "The reason for this trip overseas is a Fulbright scholarship awarded to the unemployed Brozi. The attack by the state against Brozi started last January, when his dismissal was first provoked, and reached its climax last September when the Cassation Court decided on the date to judge Nano's case. The police encirclement of the Court and Brozi's dismissal was the end of office for the man who fought more than anyone else for its independence in recent years."

The report says that after his dismissal by a "PD [Democratic Party] parliamentary vote," Brozi was "waiting for a license to exercise his profession. Astonishingly enough, the former high official of Albanian justice, who was so open to the press, preferred this time to keep his trip a secret. 'I am trying to escape from the evil with which I am being threatened,' Brozi told KOHA JONE a few minutes before boarding the plane. 'I am going to stay in the United States a long time,' he added, thanking the U.S. institutions and the U.S. Embassy in Tirana that helped him leave Albania in these, for him, unsafe times," says the report in conclusion.

On page 4 the same KOHA JONE carries a report on an interview with Brozi by F. Cupi. The report says, "The diplomatic passport was not the cause of police pressure against the Brozi family. The aim was to take his diplomatic passport away so that he could not travel abroad. Perhaps they might have learned something through their secret channels about this travel, which was recently planned."

The report is followed by Cupi's interview with Brozi a few minutes before Brozi's departure:

[Cupi] "We need your direct opinion. What is the purpose of this visit?

[Brozi] "I am going to Washington to take part in a meeting of judges, which was planned before the incidents in the Cassation Court. This meeting is only for a few days.

[Cupi] "How long are you going to stay in the United States?

[Brozi] "I have not yet decided. I think for a long time.

[Cupi] "How can you explain this, because people who are not well-informed might think you requested political asylum in the United States in protest against the political power in Albania?

[Brosi] "My going to the United States has nothing to do with protest. I think that I accomplished my mission of protest against the political state, which I caught violating the independence of the legal system several times. I expressed this openly when I was Cassation Court chairman. Of course, I am happy to escape the evil with which I am being threatened by the political power, a political power that I have considered despotic. This time Diana and I are going to stay in the United States a long time for postgraduate training.

[Cupi] "What scholarship has been offered to you?

[Brozi] "A Fulbright."

The interview later goes on:

[Cupi] "When are you going to return to Albania?

[Brozi] "To tell the truth, I am only thinking of the time I will stay in the United States. It will be a very valuable stay for my professional qualification in the legislative field. Afterward I will also consider returning to my country. After such training it will probably be easier to find a job.

[Cupi] "People might ask who organized this interesting departure for the United States at such an interesting time.

[Brozi] "They are right to wonder. It is my obligation to thank the U.S. institutions, the State Department, and the U.S. Embassy in Tirana, for the example they set in protecting the independence of the legal system in Albania. Diana and I thank them also because in these very difficult moments they stood near us. We also thank all our friends in the country..."

The report resumes: "Many questions may be asked after this. How could they cross the state border? Was the state asleep or did it pretend to be asleep? Or was it obliged to close its eyes and supress its anger? One of these reasons stands.

"The main question is how did the United States stay near the newly married couple when the head of state was attacking them with unprecedented fury?"

The report continues, "First, the explanation comes from the principle of American democracy. Such a democracy

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cannot tolerate the Supreme Court chairman's being thrown out in the street, left jobless and peniless, and threatened by police, while remaining silent. The democratic principle of protecting the legislative branch cannot keep silent. Therefore, the American institutions behaved in such an admirable way.

"Second, the question may arise why the American institutions took Brozi's side in his dispute with President Berisha. My explanation, as an eyewitness to many of the events, is that the American institutions stood on the side of protecting the independence of the legislature, on whose side Brozi was, without giving much thought to who was on the other side. The institution of the Supreme Court is as respectable as the institution of the president."

The report says in conclusion, "In all respects, the American institutions' support for Brozi is hope for all the people who need the support of real democracy."

PBDNJ Head: PS Seeks To Split Minority Unity

AU1411094595 Tirana KOHA JONE in Albanian 5 Nov 95 p 3

[Report by E. Abilekaj: "PS Is Splitting the Minority"]

[FBIS Translated Text] "The Socialist Party [PS] is interested in exaggerating our disagreements with Omonia [Greek minority organization] and in cooperation with the Greek minority," said Melo, chairman of the Party for the Protection of Human Rights [PBDNJ]. Clarifying the contradictions between his party and Omonia he said that they were exaggerated by the press and the other parties. Melo accepts that there was disagreement about the increase of the Greek minority organization representation in his party, but this did not cause a conflict. This is a soluble problem for the PBDNJ leader, who is worried about the Socialist propaganda in the south. "In the south, the PS is launching propaganda saying that they will protect the rights of the Greek minority better than us," says Melo, thus throwing down the glove to the PS.

"I have made no such statements," says [PS deputy chairman] Pellumbi, to avoid responsibility. For other PS leaders, this might be a disputable statement, but nothing has been published so far. "Never have the Socialist deputies, even those from the Greek minority, protected the rights of the minority," says Melo with courage. With this the PBDNJ chairman ignores the statements of the parliamentary opposition concerning the "five" released by Brozi.

Melo does not fail to assure the minorities in Albania about the work of his party. "The Greek minority, as all the other minorities, cannot find another party which may have protected the minority rights better," he says and points out that the PS is trying to split PBDNJ and Omonia because of the votes. "We do not need the votes of others," answers Pellumbi.

It seems that Melo is raising a new conflict in the Albanian opposition. At a time when possibilities of pre- or post-electoral cooperation are being considered, he attacks the biggest party of the opposition. He excludes the PS from possible cooperation or government coalition before elections. "We are for cooperation with the centrist parties of the left and the right," he says and hurries to explain that after elections his party may support any party with a real democratic program. After shunning cooperation with the Pole of the Center of the Democratic Alliance and the Social Democrat Party, Melo shuns also the PS, leaving space for cooperation with the Democratic Party as a force of the centrist right.

Helsinki Committee 'Worried' About Constitution

AU1511213295 Tira... GAZETA SHQIPTARE in Albanian 14 Nov 95 p 3

[Report by "A.C.": "Helsinki Committee: 'The Constitution Has Been Left to One Side'"]

[FBIS Translated Text] Tirana—The Albanian Helsinki Committee is worried about the fate of the constitution. "The constitution has been left to one side, although the Albanian Helsinki Committee does not take any side in the debate among the political parties," the committee states in a declaration issued yesterday, only a few days after controversy again erupted in parliament over this issue. Although it supports the resumption of discussions about a draft, the Helsinki Committee mentions the "many difficulties" that have arisen among the political parties. According to the committee, this is perhaps not an entirely favorable moment to achieve a full and immediate solution to the problem. However, the Helsinki Committee hopes that the differences among the parties will be ironed out and a consensus achieved, and expresses optimism about the possible drafting of a constitution.

"Albania's membership in the Council of Europe has made solving the issue of the constitution a priority task," the committee's declaration states. The committee suggests that the political parties should put it on their agenda, arguing that this is a major enterprise that will conclusively lay the foundations of a law-governed state. Nevertheless, the committee states that "it takes no sides in the debate that has been rekindled and which finds the political parties so divided among themselves." The declaration states that the question of the constitution has attracted the widest possible

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public attention and the parties have again advanced their demands and comments.

Pjeter Arbnori, chairman of the People's Assembly, has again proposed creating a special parliamentary commission to draw up a new constitution. It appears that the opposition parties have to a degree opposed this suggestion. "They should tell us at once how the constitution will be approved," they say. Pjeter Arbnori replied immediately, "Let us first produce the draft and then talk about the procedure."

Talks With Siemens on Airport Reconstruction Fail

AU1611091795 Tirana KOHA JONE in Albanian 10 Nov 95 p 2

[Report by T. Cela: "Talks With Siemens Fail"]

[FBIS Translated Text] The day before yesterday 14 members of the Siemens delegation left Albania. During their two-day stay in the Albanian capital, both the Germans and Albanians worked intensively in separate and joint work groups, but the result was bitter. Both the Albanian and the German sides did not find a common language, and the contract for the reconstruction of Rinas airport was not signed.

The main items of disagreement were of a financial and banking nature as well as taxes. A source from the Ministry of Finance said that the disagreements were great. Two members of the German delegation left the office of Albanian Minister of Finance Vrioni protesting that "we cannot allow ourselves to be treated like kindergarten children..." The Germans received a lukewarm promise from the Albanian side, and whatever problem the Germans have, they will send it in writing to Vrioni. Communication will now be only by letter.

A few days ago the Albanian legislature passed the law for the Siemens tax exemption, in considering its huge part in reconstructing Rinas airport. The German side claims that the Albanian legislature discussed only secondary issues.

The representatives of KfW [German Bank for Reconstruction and Development] in Berlin, as members of the German delegation, did not agree with the Albanian proposal in the bank's interest, which was contradicted by the German side. The Albtransport representative had a clearcut stand about an increase in airport duties for passengers.

The Siemens firm won the bid against one of the Italian firms for the reconstruction of Rinas airport with World Bank loans. The bidding was reported as contradictory by the press. A long time has passed since then, but work has not yet started in Rinas airport. In recent talks between the two sides, not even the financial contract was signed, and it is not known when work will start in Rinas. Meanwhile international travel agencies are issuing warnings to the Rinas airport for its poor safety, and more and more small planes are replacing the large ones.

Siemens is known in Germany and other countries as the financial giant that has often preceded the establishment of good relations between countries. As such, Siemens is considered the "German Foreign Ministry," and more so when such firms as Siemens, Mercedes, and Krupp are considered pivotal in the German state. The disagreements between the sides can be also considered a preference for other smaller less reputable and less powerful firms. Perhaps the preference for the Italian firm, the second in the bidding, can be the main reason for the latest disagreement between the Albanian side and Germany's Siemens.

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Zhelev Urged To Compromise on Ambassador Issue

AU1511210095 Sofia 24 CHASA in Bulgarian 13 Nov 95 p 8

[Article by Mira Yovkova: "Apparently Zhelev Wants Ambassadors for Life"]

[FBIS Translated Text] The maxim "everything is in flux, everything changes" applies even to the presidential ambassadors. However, it appears that Dr. Zhelev disagrees with this.

In democratic states, and even states in a period transition, leaders come and go. According to the old Balkan tradition, new leaders bring with them new officials, and the president must accept this, rather than initiate controversies at the top. It is only normal that after one year in power the Bulgarian Socialist Party [BSP] wants to send people abroad who would facilitate the implementation of its foreign policy. Zhelev should not be angry about the list of 11 ambassadors the BSP wants to replace.

Even if we agree with the president's unreserved conviction that the ambassadors he appointed have implemented only positive and highly patriotic deeds, his behavior nevertheless is strange. Perhaps the president really believes that, although specialists in the fields of medicine, music, and philology, his people are better than career diplomats.

However, this does not mean that the president's people abroad automatically must become ambassadors for life. Throughout the world ambassadors serve predetermined terms, and this includes even Burkina Faso and Bhutan, between which we appear in the EU black list. For example, the U.S. ambassadors serve a two-year term, the UK ambassadors four years, and when their term is over they return home without scandals.

President Zhelev should not forget that inheritance and family continuity at certain posts was one of the characteristics of the totalitarian society. Did the changes after 10 November 1989 not come to discontinue the division of the Bulgarian people into partocrats [party bureaucrats] and common people.

It appears that Zhelev is trying to create a new ambassadorial nomenklatura. His first action in this respect was implemented during the caretaker cabinet term, when he ordered Foreign Minister Ivan Stanchev to reappoint the presidential ambassadors to another term, and only move them from one European capital to another. Thus Stoyan Stalev (Bonn) and Elena Kircheva (Bern) changed places, while Lea Koen (Brussels) was to move a few hundred kilometers north—to The Hague. Perhaps because of the caretaker cabinet's short term only two of the presidential ideas materialized. Stefan Tafrov was sent to London despite the scandals he left behind in Rome, where he was replaced by Dimitur Lazarov, brother of Vanyo Lazarov, an aparatckik in the Union of Democratic Forces.

Simple calculations show that even if he signs the decrees on the 11 new ambassadors, Zhelev will continue to control the key European capitals and Washington. In addition, Foreign Minister Pirinski's list contains the names of two presidential advisers and two diplomats who enjoy Zhelev's confidence. The government relented and promised to not touch Zhelev's proteges in Madrid, Bonn, and Paris.

The good politician must be able to compromise. Being tough on the eve of closing a deal is an old merchants' trick, but if one persists, the deal could fall through. A refusal to compromise on the part of Zhelev would provoke an endless war between the institutions, none of which will benefit in any way. As always, those who will suffer most will be those who are not in power, but rely on the prudence of their leaders.

Kozloduy Output, Western Interest Viewed

AU1611080795 Sofia DUMA in Bulgarian 11 Nov 95 p 5

[Report by DUMA PRESS: "Kozloduy Produced as Much Energy in 10 Months as in All of 1989"]

[FBIS Translated Text] During the first 10 months of the year, the Kozloduy nuclear power plant produced 14 billion kwh of electricity, a quantity equal to the electricity production in 1989. Now the combined 1,900 megawatts that are being utilized produce more than 45 million kwh of electricity daily. The experts envisage the production of 17 billion kwh by the end of the year, which should have been half of the entire country's power production.

The Commission on the Peaceful Use of Atomic Energy have already begun an inspection of the readiness of the fourth reactor for repair and refueling. The inspection is being conducted in accordance with a program proposed by the Kozloduy nuclear power plant. The intensive preparations for restarting the fifth reactor are continuing. The repair of the reactor is about to be completed and the installations have already been prepared for refueling with nuclear fuel.

Deputy Prime Minister Kiril Tsochev on 10 November discussed power supply issues with the leadership of the Bulgarian Power Supply Chamber. The meeting was attended by representatives of the Committee on Power Supply and the National Electricity Company.

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The unanimous position was expressed on completing the construction of the Belene nuclear power plant, comprehensively utilizing the water of the Mesta River and expanding the capacity of the Chaira pumped-storage hydroelectric plant by using the Yadenitsa Dam.

Meanwhile, we have learned from a well-informed source that issues related to the Kozloduy nuclear power plant will be discussed on 19 and 20 November at a meeting in Sofia between Prime Minister Videnov and Ukrainian Foreign Minister Hennadiy Udovenko.

Informed sources say that the problems of the Bulgarian nuclear power plant are rather a matter of international economic interests. It is the goal of the Western states to open new markets for their own nuclear equipment, and the Central and East European countries offer a good opportunity for this. On the other hand, the Russians are interested in preserving their positions in countries where they have constructed nuclear power plants. Experts say it is in Bulgaria's interest to ensure its own power balance by guaranteeing the safety of the nuclear capacities that are functioning.

Russian Reactors Being Considered for Belene Plant

AU1611113895 Sofia STANDART NEWS in Bulgarian 13 Nov 95 p 9

[Report by Dimitur Genchev: "Supermodern Russian Reactors Intended for Belene Nuclear Power Plant"]

[FBIS Translated Text] In about 10 days Bulgarian and Russian experts will discuss in Sofia the possibility of equipping the Belene nuclear power plant with the latest generation of Russian reactors, Trifon Tsvetkov, executive director of the National Electricity Company, has announced.

The reactors have a capacity of 630 and 660 megawatts, and are among the most recent Russian developments. They are totally safe because whatever potential accident might occur, no radiation is possible. At the meeting the experts will also discuss the issue of whether the WWER-1,000 reactor purchased for the Belene nuclear plant could be updated in accordance with the latest safety technologies.

If parliament approves the completion of the Belene nuclear power plant construction, it will be completed on the basis of a new draft, the National Electricity Company chief said. Some $1.3 billion has been invested in the construction of the Belene nuclear plant, and Bulgaria's power supply strategy until the year 2020 envisages a further investment of the same amount in the construction of the plant.

Well-informed sources think that the idea of using modern Russian reactors in Belene will again stir up the West. This is because the attack against the Kozloduy nuclear power plant was directed not only against the plant's first reactor, but also against our entire power supply system. It was prompted by the desire of the G-7 and certain European states to place us in a position of power supply dependence. If the construction of the Belene nuclear power plant is delayed, in a few years we will have to import electric power from Romania.

SDS, DPS Discuss Cooperation in Kurdzhali

AU1511202995 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 15 Nov 95

[FBIS Translated Text] At a meeting today, opposition leaders Ivan Kostov [Union of Democratic Forces, SDS] and Ahmed Dogan [Rights and Freedoms Movement, DPS] discussed the future administration of the seven municipalities in the Kurdzhali region that the DPS won in the recent local elections.

According to Osman Oktay [DPS spokesman], who attended the meeting, as quoted by BTA, the proposal is that the SDS, DPS, the Democratic Party, and the Radical Democratic Party should cooperate in administering the Kurdzhali region not only in the municipal councils, but also in the local administration.

At the beginning of next week, the leaders of the three main opposition forces will visit Kurdzhali to settle the problems of administration on the spot, together with their local organizations. In response to a journalist's question, Osman Oktay said that he is not worried by the reports of election violations in Kurdzhali nor by all the furor—I quote his words—that has been raised on this issue. For his part, SDS leader Kostov said that events in Kurdzhali are developing in a tendentious manner. For this reason, we are ready to offer the help of our experts in establishing whether the so-called violations have occurred, he said.

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Klaus Discusses Foreign Policy Objectives

AU1611090795 Prague MLADA FRONTA DNES in Czech 14 Nov 95 p 4

[Interview with Czech Prime Minister Vaclav Klaus by Lubos Palata in Prague; date not given: "The Government Cannot Promise Entry Into the European Union This Century"]

[FBIS Translated Text] *Prague—Prime Minister Vaclav Klaus insists that the Czech Republic will be ready for membership in the European Union by the end of the century. At the same time, however, he admits that our entry may be delayed because the Union itself will not be ready to accept new members at that time.*

"We are taking all of the transformational steps and measures, first and foremost, for ourselves. But, at the same time, these are steps that bring us closer to the stage when we will be capable of becoming a member of the European Union. Therefore, we have to go forward as fast as possible," said Klaus.

[Palata] Union representatives are saying that the EU could be expanded in 10 to 15 years at the earliest. You promised your voters admission into the Union before the year 2000. Was this promise not a mistake?

[Klaus] This promise was not unconditional on my part. The main message that I spread was different. I have always said that expanding the Union is a bilateral process for which something has to be done both on our part and on the part of the European Union. And, because I cannot determine what Brussels should do, I must at least try to determine what is necessary on our side. I am quite convinced that we will be ready for membership in the Union by the year 2000.

How the situation evolves within the European Union is something else. The delayed intergovernmental conference, which, it seems, will begin much later and will be much longer than we had originally anticipated, is changing our original assumptions. These are, of course, things we cannot influence.

[Palata] You are often described as a Euroskeptic. Are you really skeptical as far as the future of European integration is concerned?

[Klaus] I am trying to counter these oversimplifying labels, which are essentially condensed and do not express at all my stance toward such a complicated issue as the further course of Europe's integration. Naturally, I favor its continuation; there are many sensible reasons for this. The form of this process is another matter, however, and it seems quite legitimate to me that there are all sorts of views on this.

Incidentally, European integration has gone through major changes in the past 40 years. The European institutions have been altered fundamentally, they have been given a completely different function, and the aims of the integration process have been moved forward. The original objectives have been forgotten, they are changing with time, and I am convinced that they will also change in the future.

Therefore, I consider it to be absolutely legitimate to discuss openly the current concept for the aims and forms of the Union. If someone makes the mistake of describing any discussion on this topic as Euroskepticism, he does not know what he is talking about.

[Palata] What is your vision of Europe in the next century?

[Klaus] I proceed here from a fundamental point that I often express aloud: The basic unit of European integration is not and should not be the citizen—that is, Vaclav Klaus or Lubos Palata. The basic building block should be the state—that is, the Czech Republic, Denmark, or Portugal. It follows on from this that it is impossible to build European integration directly on the citizen-Union relationship. Primary sovereignty must be left forever to the individual states, and the European Union's sovereignty must be only secondary.

[Palata] As far as the Czech Republic's membership in NATO is concerned, you are not among those who would present it as the issue of the day. Why?

[Klaus] "Let us join NATO" or "let us not join NATO" is hollered most by those who play this as their domestic political card, very often as a representative card. I think that the preelection situation in Poland and Hungary last year was a classic example of this phenomenon. In these countries, strong words about NATO were part of the domestic election campaigns. It seemed from the outside that a passionate duel on whether to enter the alliance or not was taking place.

There has never been such a situation in our country; there is a clear majority consensus here for entry into the alliance. Therefore, I do not have the slightest reason to brandish these words. However, I am rather annoyed when someone coins such cheap policy.

[Palata] Do we have the economic means to join NATO?

[Klaus] Joining NATO will cost something, and the issue involves making sure that everyone is well aware of this and takes it into consideration. It is not true that entry into the alliance is a political, security, or financial issue. These aspects cannot be isolated from

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one another. They have to be considered together, not, as is often the case, individually.

In the world, things are not divided into grand political schemes and the impossibility of realizing them. If it is impossible to realize schemes, they are not grand.

[Palata] So, do we have enough money to join the alliance?

[Klaus] Detailed calculations have still not been made. I think, however, that those in our country who approach this issue very zealously mostly do not fully appreciate the real sum involved. On the other hand, I am convinced that admission to NATO does not require compatible weapon systems as much as command and human compatibility.

[Palata] The necessity of rapid incorporation into NATO is sometimes justified by the threat from the East. Is this threat genuinely realistic today?

[Klaus] It is also necessary to analyze our current security situation dispassionately; simplifying this issue makes no sense. I am horrified when someone dwells on the old cliches and stereotypes. The threat to the world and to peace came primarily from global communism and its embodiment, the Soviet Union. It is stupid to pretend that, although there is no communism and there is no Soviet Union, the threat is still the same. I think that this issue requires a nondemonizing analysis of the situation in Russia.

We would like unequivocally to drop anchor in NATO and to unite our security with this grouping, not, however, for the trivial reason that we would be facing the same threat from the East as before.

[Palata] In your opinion, is it possible and necessary to adopt a joint Czech-German declaration this year? Do we really have to strive for something like this before the elections?

[Klaus] It is hard to answer this question. This process has a certain dynamism, and it now seems to me that it would be useful for us to try to follow it through to the end so that the declaration evolves and contributes to calming the situation.

[Palata] Where may the accommodating steps lead, for example, as far as ensuring that the Sudeten Germans have easier access to Czech citizenship is concerned?

[Klaus] The talks at the deputy-ministerial level are continuing; proposals and counterproposals are being put forward. Several more points of the planned declaration are, to a certain extent, agreed upon after every such meeting. Nevertheless, others still remain to be agreed upon. Now, we are at the stage where, of the 10 sections, approximately seven have been agreed upon and the others are being discussed. It is not necessary, however, to talk about them out loud right now and make a nationwide dispute out of them in Germany or in our country.

In connection with the declaration, it also seems inappropriate to me to use the expression "accommodating" or "acquiescent" gesture. Such gestures do not belong there, and there is no reason for them to be there.

[Palata] Will you meet Chancellor Kohl soon in connection with the declaration? Do you consider it, like your German counterpart, to be "an issue for the prime minister"?

[Klaus] I think that a meeting will make sense only when we feel that the text is almost ready and when only one or two contentious sentences are left. At the moment, the issue still involves dozens of words or sentences, and it is not yet time for a meeting at this level.

The emphasis on my part that this issue is a matter for the chancellor or prime minister was meant more for the German side—as a signal that the idea of a parliamentary declaration is not intended as an antigovernment act or something directed against the German chancellor. That was my primary interest.

[Palata] What are your views on the conflict in the former Yugoslavia, on its causes, and on the possibility of a solution?

[Klaus] The situation in Yugoslavia is complex, confused, and terribly complicated. It is multilayered, with iniquities, wrongs, perpetrator, and victims. I am absolutely convinced of this.

If someone thinks that, in this complicated tragedy, he knows exactly what the cause and its consequences are or who is the perpetrator and who is the victim, he is mistaken. The world is simply not like this, especially not in the former Yugoslavia. The tragedy of the Yugoslav situation lies in this perplexity and multilayeredness. If this were not the case, the war would have been over long ago.

Therefore, it seems slightly spurious to me to accede repeatedly to unilateral operations that are supposed to resolve it once and for all. I am afraid that this will not be the case.

[Palata] In this situation, should the Czech Republic take part in the operation in Bosnia involving NATO forces?

[Klaus] We want to be a normal European country and, in this sense, to play an effective role in the processes taking place on our continent. The actual form of our

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participation in the attempt to bring Yugoslavia to peace is one of the things in which we should be involved.

I think, however, that our participation should be commensurate to our status. Attempting to get into the position that the world powers are striving for and dispatching the amount of troops and hardware there commensurate to this would be absolutely nonsensical.

So, yes to our participation, but suitable participation. Material defining the form of our involvement in this operation will now be made available to the government. Despite the fact that it is not ready, I can say that this will not be merely symbolic participation.

[Palata] Nevertheless, will the 3 to 5 billion korunas that, according to the estimates, would be necessary to dispatch a unit be found in the state budget?

[Klaus] I have never heard of the sum of 3 to 5 billion and think that is a very exaggerated figure. The sums that have been discussed were lower than 2 billion korunas. But even this is obviously exaggerated, and it will be our task to reduce this amount by at least 50 percent. The Army will just have to go to Bosnia with the equipment it has and not bank on the purchase of new equipment on account of the peacekeeping mission.

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European Parliament To Address Slovak Situation

AU1511175895 Bratislava SME in Slovak 13 Nov 95 p 1

[Article by "bog": "In European Parliament About Slovakia"]

[FBIS Translated Text] Bratislava—Democratic Union [DU] Deputy Chairman Milan Knazko confirmed to SME yesterday that on 16 November the European Parliament would deal with a draft resolution on Slovakia. "It will be another resolution reacting with concern to some phenomena of our domestic political situation. This concerns, above all, the method of procedure applied against DU, when a legitimately elected party is being challenged on the basis of a fabricated case. The resolution will also contain a point on the language law, which contravenes in many of its articles the Constitution and international norms. The draft resolution does not bypass the issue of state terror in politics, either, which has been introduced with the abduction of a citizen of the Slovak Republic abroad and, above all, with the method of its investigation when two investigators were taken off the case as soon as they stumbled upon suspects who are members of the Slovak Information Service [SIS]," Milan Knazko said after his return from Brussels, where he participated in a meeting of representatives of EU countries' liberal parties associated in the Liberal International. The draft resolution is to be tabled precisely by the liberal faction of the European Parliament. As Milan Knazko went on to say, there should also be a discussion in the European Parliament about the fact that some important agencies of power in the Slovak Republic are not controlled by the opposition. According to his words, it cannot be ruled out that there will also be a discussion about the way in which public service corporations, particularly Slovak Television, are being misused. "The resolution draft will be submitted to the European Parliament on Thursday. The European Parliament will then discuss its wording and take a vote on it," the DU deputy chairman added.

Daily Views Deputy's Attack on U.S., EU Members

AU1511162295 Bratislava PRAVDA in Slovak 11 Nov 95 p 4

[Commentary by Jan Skoda: "Is Deputy Prokes Asking for a Third Demarche?"]

[FBIS Translated Text] "It is truly remarkable when we receive a demarche from a country that did not hesitate to kidnap the president of another country and that does not hesitate to economically blackmail its neighbor, when we receive a demarche from a group of countries, in one of which racial intolerance and neo-Nazism are evidently on the rise and asylum homes are being set on fire, in another one no one knows who belongs to the mafia and who not, and still another one does not hesitate to drop bombs on its own minorities."

Such remarkable words were not spoken in a public lavatory or in a beer pub but, to the misfortune of all of us, in the presence of members of the diplomatic corps who followed from the balcony of the Slovak Parliament yesterday's debate on the tasks of Slovak foreign policy and, for understandable reasons, expected also a reaction to the "aide-memoire, the contents of which is a demarche." Leaving aside Minister Juraj Schenk's comment on "ephemeral affairs, to which he does not intend to react," the words from our introduction were the sole reaction. However, they came not from the mouth of a janitor or charwoman, but from Slovak National Party Deputy Jozef Prokes, deputy of a government coalition party.

Although Prokes later tried to defend himself by claiming that he did not name any country directly, it must have been obvious to everyone that, in the first instance, he spoke about the United States, whose administration ordered several years ago the abduction of Manuel Noriega from Panama to put him on trial because of his participation in the international trade in drugs. Likewise, everyone grasped that, subsequently, he publicly denounced Germany and Italy. It is only unclear why he erred in the last instance because he evidently meant Turkey, which is not an EU member.

It seems that some coalition deputies, to which one must add, after yesterday, also Jozef Prokes, have not grasped to this day why the demarches were delivered to Bratislava, of all places. If they continue to show this lack of comprehension, it cannot be ruled out that a third explanation will come from our Western partners. In that case, however, as prophets say, it really will be the last one.

Daily on Aftermath of EU, U.S. Demarches

AU1511162495 Bratislava SME in Slovak 9 Nov 95 p 4

[Commentary by Robert Kotian: "About Concerns and Self-Confidence"]

[FBIS Translated Text] The text of the demarche of the European Union countries speaks not only about the process started in democratization and economic reforms in Slovakia or the successes achieved in foreign policy, but also about the anxiety over current political and institutional tensions (it refers, among other things, to the "possibility that the actions aimed against the president could harm the Constitution and the commonplace democratic customs"), the continuing concerns

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regarding the political and economic transformation, pointed out already in the November 1994 demarche (in Meciar's newspeak denoted as a friendly gesture).

The text of the Slovak Foreign Ministry's stand regarding the meeting between the Slovak prime minister and the representatives of the EU Troika (that is a way of describing the delivery of the EU countries' demarche in Schenk's newspeak) "notes with satisfaction that the Slovak side launched several specific initiatives recently, which are to bring Slovakia definitely closer to the EU (i.e., not to the Commonwealth of Independent States or to Zlata Idka [location of a HZDS closed-door meeting in October 1993, where Meciar discussed his future revenge], ed. note) still before the actual admission." Similarly, it observes that the "political and economic problems in our country are being solved and will be solved in accordance with the Constitution of the Slovak Republic and other laws, and always by appropriate means." So, when the Slovak Government identified in its 7 November session with this reaction to the EU countries' demarche by the Slovak Foreign Ministry, we can emphasize either that the Foreign Ministry reacted to the concerns of the EU countries in a misleading manner and the government endorsed this stand (although at the time of the Slovak Foreign Ministry's stand, even the existence of a "demarche" has not been admitted), or the words about solving problems in accordance with the Constitution and laws also represent an obligation of the government coalition to the domestic and foreign public. By foreign public, we mean those who are worried about the situation in Slovakia and not those from whom the prime minister and his faithful increasingly more often draw their self-confidence.

An answer to this dilemma will be given by the solution to the problems of the president, Democratic Union mandates, and the language bill presented by the government coalition.

That is, of course, if it is not preceded by a change in the constitutional laws and conditions and the solution to these problems is in accordance with these laws.

Arsonist Burns Car of Kovac Jr.'s Partner

AU1611111795 Bratislava NARODNA OBRODA in Slovak 14 Nov 95 p 2

[CTK report: "After the Car of Kovac Jr.'s Attorney, Marian K.'s Car Was Also Set on Fire"]

[FBIS Translated Text] Bratislava—After an attempt on Friday night [10 November] to set fire to the Mercedes owned by attorney Jan Havlat, defense lawyer for the Slovak president's son, an unidentified culprit has set fire to the four-wheel drive Mercedes of Marian K., a fellow suspect of Kovac Jr.'s in the machinations damaging the Slovak firm Technopol. The incident took place less than a week after Marian K. was questioned by the German investigator in Slovakia. The off-road vehicle burst into flames in the village of Cunovo near Bratislava at 0310. The damage is estimated at 2 million korunas. The explosion of the tank containing almost 100 liters of gasoline was prevented only by the immediate intervention of the owner and the arrival of the firemen. The vehicle was parked near other family houses.

[Bratislava PRAVDA in Slovak on 13 November on page 2 in a similar report adds: "As we were able to verify on our own, a suspicious yellow substance was visible on the body of the car, apparently some combustible mixture."]

Prime Minister Departs on Visit to France

LD1511214495 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 15 Nov 95

[FBIS Translated Excerpt] Prime Minister Vladimir Meciar left for Paris today on a two-day working visit. He will take part in the talks of the OECD and in a festive session of UNESCO. Agata Stanekova reports on his program this afternoon.

[Stanekova] The first point on the agenda was a dinner hosted by SISIE [Services Industries Strategies International Environment], a marketing association of several significant businesses concerned with mediating contacts and interests of firms abroad. Afterward, there were talks with Mr. Farneau, chairman of the association's supervisory council. He said that the conversation with Vladimir Meciar, which lasted over an hour, was exceptionally friendly. He stressed that, at a joint meeting in Bratislava in May, they identified some 10 projects of interest to both sides. Three of these projects are of high priority, and now attitudes have come even closer on these issues.

Mr. Farneau concluded his reply by saying that relations between Slovak and French industrialists are excellent, which is also true at the government level.

Prime Minister Vladimir Meciar assessed the meeting, saying:

[Begin Meciar recording] The final stages of a significant project are coming to an end. It is the building of the Mochovce nuclear power station, in which West European companies will be involved to a considerable degree. This will include the French firm Electricite de France, Framatome, and so on. It will be necessary to reach a solution regarding matters connected with finance. That is why the talks today basically concluded the preparatory stage. [passage indistinct]

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The second significant project being examined by the Slovak Republic is the possibility of building automobiles with the help of Renault in Slovakia, but the talks have not yet started. We have not progressed very far from the last meeting at the beginning of this year.

The third project under discussion is Chemlon Humenne [not further specified]. the participation of French firms in it, and the building of a new power center in which French firms are interested. The preliminary consultations on the technical conditions have been held. There is interest in participation in privatization.

The fourth project is participation in the building industry, specifically cement factories. [passage omitted] [end recording]

[Stanekova] At the moment, Vladimir Meciar is at a dinner being hosted by the French president in honor of UNESCO's 50th anniversary.

Meciar Not Relying on Opposition To Help Treaty

AU1511172795 Bratislava SLOVENSKA REPUBLIKA in Slovak 13 Nov 95 p 2

[Interview with Slovak Prime Minister Vladimir Meciar by Dobroslava Krajacicova in Bratislava on 11 November after returning from Germany: "We Must Be Far More Active If We Want To Assert Ourselves in the EU"]

[FBIS Translated Text] [Krajacicova] What is the German partners' understanding of the Slovak Republic's efforts to join the EU and NATO?

[Meciar] There are certain problems with Slovakia's heading toward the EU and NATO. An interview was published in the press, in which I was quoted as having said several times that Slovakia wants to move closer to Russia. However, this statement, which was attributed to me, came from the mouth of the head of state and had the appropriate negative echo. It called in question the Slovak Republic's policy and everyone was therefore asking whether what is being written and said is true. After I explained and clarified the situation to the politicians with whom I spoke, their fears were dispelled. In this context, I received from President Roman Herzog the recommendation that we should be far more active and show greater initiative in trying to assert ourselves within the framework of the EU structure. European Commission Chairman Jacques Santer spoke along the same lines.

[Krajacicova] Mr. Prime Minister, during your meeting with Hungarian Prime Minister Gyula Horn [in Berlin on 10 November], you discussed the bill on the state language. I would like to know whether you also touched upon the issue of the Slovak-Hungarian treaty, which the Slovak parliament should ratify before the end of this year.

[Meciar] The process of ratification has started. The treaty has been delivered to the National Council of the Slovak Republic [NRSR], and the parliament chairman has passed it on to individual committees for discussion, from where it will go into the plenum. Of course, its approval and ratification are two different processes because the treaty's ratification requires the absolute majority of NRSR members [sentence as received]. The Hungarian coalition parties have already declared that they will oppose ratification if the language law is passed. Other [opposition] deputies are more than restrained. This means that, for the treaty to be accepted, I must secure sufficient support of votes within the ranks of the government coalition. This process continues, the discussions are lively, even if no conclusions from them are being published. The [passage of the] language law will contribute to making the Slovak-Hungarian treaty passable.

Views Relations With Europe

AU1511135195 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 13 Nov 95 p 3

[Article by "W.A.": "Meciar Seeks Dialogue With Brussels and Bonn"]

[FBIS Translated Text] Berlin, 12 November—According to Slovak Prime Minister Meciar, the EU has so far failed to conduct a "dialogue based on partnership" with his country. Irrespective of the development of promising economic relations, this also applies especially to Germany, with which hardly any significant contacts exist at the government level. While the Slovak prime minister explicitly confirmed his country's desire to join the EU and NATO, and even though he considers the negative statements by the EU on the political situation in Slovakia by no means unjustified, he strongly criticized the fact that such criticism was expressed officially without prior consultations with the government and parliament in Bratislava. Here, the EU arrogates itself the role of a "teacher of democracy" and is basically making "decisions about us without us."

Referring to the Munich agreement before the outbreak of World War II and the invasion of the Soviet troops three decades later, Meciar stressed that this "already happened in the years 1938/39 and 1968." According to Meciar, the reasons for Slovakia's less positive image—as compared with Poland, Hungary, and the Czech Republic—are, among other things, the "prejudices" resulting from the fact that Czechoslovakia's division

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was not supported by many Western politicians at the time.

In an interview with FRANKFURTER ALLGEMEINE, Meciar made foreign criticism of the internal situation in Slovakia seem justified when he did not hide his apparently unfathomable hostility toward Slovak State President Kovac. He, the head of government, held out his hand to the head of state for reconciliation after his reelection, but without success. Meciar accused Kovac of having "misused" the Slovak secret service against parliament and the government. The prime minister did not elaborate on this issue, but hinted that he does not want to leave it at the "vote of no confidence" by parliament and later by the government against the head of state. Since Kovac rejected a mediation offer by the church, and since he is now seeking support in other countries against the prime minister, a referendum on his removal from office must be taken into consideration. However, if Kovac should "exercise self-criticism, he can stay."

Yet Meciar, who is flirting with the introduction of a presidential system, assured that he wants to settle domestic controversies in a purely democratic manner. He expressed satisfaction at the economic development of his country. Even though the new state had to assume a difficult heritage in the form of the weapons industry, two-thirds of which were located in Slovakia while Czechoslovakia still existed, the economic development is now so favorable that the West, which was skeptical at the beginning, is now speaking of a "pleasant mistake." The prime minister cited the convertibility of the Slovak koruna, which has recently been achieved, and pointed out that the trade balance is developing positively. The largest importer of Slovak products is Germany, followed by the Czech Republic and Austria. For Slovakia, however, Russia is the main supplier of goods, with energy sources and raw materials accounting for most of the imports. Asked about European cooperation, Meciar pointed out that, in view of the different development stages in the European countries, three zones that will gradually cooperate and become integrated are conceivable: the EU, the Visegrad states Poland, Hungary, the Czech Republic, and Slovakia, as well as the CIS.

The Slovak head of government, who met with Hungarian Prime Minister Horn during a meeting of the European Forum Berlin, organized by the Herbert Quandt Foundation and the FINANCIAL TIMES, was very optimistic concerning a "historic reconciliation" between Hungary and Slovakia that has been initiated according to the Franco-German model. Meciar promised the ratification of a so-called basic agreement between the two countries, whose relations are burdened by minority problems, before the end of the year. The agreement was adopted by the Hungarian Parliament some time ago. The Slovak head of government, who did not seem to be concerned about the reputation of the young country abroad for quite some time, has now reached the conclusion "that we must do more to present ourselves in the right way."

Kovac: Meciar Generates Fear for Democracy

AU1511163095 Salzburg SALZBURGER NACHRICHTEN in German 15 Nov 95 p 7

[Interview with Slovak President Michal Kovac by Stephan Israel in Bratislava; date not given: "Kovac: We Fear for Democracy in Slovakia"]

[FBIS Translated Text] [Israel] Mr. President, when you assumed office, you were considered to be one of Prime Minister Meciar's men. Now the head of government is demanding that you resign. When did you break from him?

[Kovac] All those who came to politics in 1989 were linked by the idea of liquidating the totalitarian regime as quickly as possible. The differences emerged only later, when the point was how to shape the future. Meciar wants the president to fulfill his wishes, to act as an instrument of his government. Meciar believes that anything is possible as long as it is justified by the goals. I am for ethics in politics, for a president who is above the parties.

[Israel] The EU, the United States, and you yourself have repeatedly expressed concern about the increasing polarization and instability. Is democracy seriously in danger in Slovakia?

[Kovac] In all postcommunist countries democracy is still fragile. However, in Slovakia the government majority has taken steps that lead to a restriction of democracy for the benefit of authoritarian leadership. Meciar and his party have a very crude understanding of parliamentary democracy. They think the majority can do anything it thinks is right.

The intelligence service, the judiciary, and the Interior Ministry are outside real parliamentary control. The public prosecutor sees himself bound to the head of government. The government has seized public institutions, such as radio and television. The citizens' access to objective information is strongly reduced. Private television could be an alternative. But probably it will once again just be the members of the government party who get the licenses. Therefore, we fear for democracy in Slovakia.

[Israel] Does the government observe the Constitution?

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[Kovac] The government has proposed laws that are contradictory to the Constitution. But many decisions are, in particular, in contradiction to the need to expand democracy. For instance, we want the state's influence on the economy to be reduced. But privatization, as it is being pursued by the government, is very unfair and dangerous: Only selected groups have access.

We also want to develop the constitutional state, a citizens' society. The selection of employees in public administration should be determined not by their membership in the government party but by their professional qualifications. However, in Slovakia it is precisely the other way around. As a result, the government violates not the Constitution but democratic principles. In our country the dominant intention is to concentrate all power at government level.

[Israel] You are defamed by the government media. Your son's kidnapping is obviously supposed to weaken your position. How long can you withstand this pressure?

[Kovac] An intelligence service employee admitted that he was involved in my son's kidnapping. Obviously, the kidnappers also had technical equipment from the intelligence service at their disposal. Now everything is being done to prevent clarification of the affair. Several policemen who were involved in the investigations have been replaced. I am ready to defend myself. I can hold out for a long time. But the government can call my work into question through financial measures. This year my budget was reduced so much that I had to fire one-third of my employees.

[Israel] In foreign policy the government seems to rely increasingly on old partnerships in the former Soviet Union. How serious is Meciar about his commitment to the EU and NATO?

[Kovac] The government and most parties have included integration into the EU and NATO membership in their programs. However, it is one thing to declare goals. The government would then have to take the necessary steps to achieve this goal. At the moment, the instability in our country, the backlog in reforms could be an obstacle to integration into the European structures. But it is not yet too late.

[Israel] The preconditions for EU membership would also include the basic treaty with Hungary, which settles sensitive minority issues. Why has the Slovak parliament still not ratified this treaty?

[Kovac] I am worried myself. But it is the prime minister who is pulling all the strings. If it fails, responsibility rests with the government coalition. Part of the government coalition will not agree. Therefore, Meciar also needs votes from the opposition. However, the head of government has not even started talks with the opposition.

[Israel] A new law that declares Slovak the country's official language may even increase the tensions with the Hungarian minority and Budapest.

[Kovac] This is true. The Hungarian minority will be limited in the use of its language. However, the law is unacceptable not only from the standpoint of the minorities. Czech movies may be shown only with Slovak subtitles or in a dubbed version. The law endangers the entire cinema and movie branch.

Signatures Being Collected for Meciar Referendum

AU1511153495

[FBIS Editorial Report] Bratislava SME in Slovak on 11 November on page 14 publishes a full-page advertisement under the title "I Was Born Under Totalitarianism and Do Not Want To Die Under It." The advertisement invites those who support "the calling of a referendum with the following question: 'Do you agree with the dismissal of Vladimir Meciar from the post of Slovak prime minister?'" to sign a "petition sheet," a facsimile of which is reproduced as part of the advertisement. Petition sheets "containing at least one signature" are to be sent to the following address: "Robert Krajnak, Postovy Priecinok 10, Stupava 900 31."

Part of the advertisement is a 700-word unattributed statement that provides the rationale for the initiative. Its opening passage reads: "Slovakia has drifted into a profound crisis. The demarches from the EU and the United States state, in fact, that we are deflecting from the proclaimed aims and abandoning democratic principles and rules valid in the life of the countries of Western Europe. We are also moving away from the neighboring countries with a clear pro-Western orientation. Our political 'illegibility' undermines trust in our system, while our undemocratic practices arouse fears and concern. There is no need to enumerate all of the steps that bar our path into European structures. We know about them, newspapers write about them every day. We are turning to that part of the civic public that is convinced that not journalists, the president, or foreign ill-wishers damage our good name in the world, but the deeds of the government and its prime minister. We have arrived at the opinion that it is not the president who needs to be dismissed, but the prime minister, because this is the only guarantee that we will return from a short detour to where we were originally heading." The statement goes on to say that, in a situation when "the democratic system is being dismantled and elections are not in sight, it is

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necessary to use the right of petition, guaranteed by Article 27 of the Constitution, to express our opinion and disagreement with government practices. We have become convinced that the government is not working for our benefit, that it is leading the Republic into a hopeless situation and isolation, that a single group and one person are exercising uncontrolled power here, which poses the threat of a return to totalitarianism." The statement warns that, if the initiative does not gain "sufficient public support" (under Article 95 of the Slovak Constitution, 350,000 signatures are needed to call a referendum), the responsibility for political developments in Slovakia will be borne not only by the government coalition, the opposition, and the president, but also "by our own indifference." In conclusion, the statement quotes Vladimir Meciar's words that "Slovakia is a free and sovereign country, on whose territory no other will is exercised than the will of its citizens," and appeals to citizens "to prove" to the prime minister the veracity of his words.

On the same day, on page 3, again in the form of a paid advertisement, Bratislava SME carries a 300-word interview with Robert Krajnak, initiator of the referendum on Prime Minister Meciar. In the interview, the place and date of which are not given, Krajnak voices his confidence that the petition campaign will be successful. According to Krajnak, who is identified as an "entrepreneur," the organizers set themselves no time limit for the campaign and will be "collecting signatures for weeks and months." To "allay fears" that the whole initiative is a "provocation" and that "the signatures will end up at Tomasikova Street," the headquarters of Meciar's Movement for a Democratic Slovakia, Krajnak suggests that a committee be established to keep a record of the petition sheets. He proposes that "honest" people such as the "priests Srholec and Suchan, investigators Simunic and Vacok, and journalist Peter Toth" be represented on the committee.

Foreign Involvement Alleged

AU1511173095 Bratislava SLOVENSKA REPUBLIKA in Slovak 14 Nov 95 p 1

[Editorial by Viera Urbanova in the "Public Matter" column]

[FBIS Translated Text] What is presently harming the Slovak Republic most is its domestic political fission. The opposition, which is unable to gain power by means of an honest election struggle, is gnawing at our political stability by unfair means. It does not even recognize the cabinet's need for sufficient room to realize its strategic plans. Nobody wants the coalition and the opposition to live in tender harmony, but all the turmoil should take place on the domestic scene. Political circles in every normal-working country unite in the national interest in the direction abroad. The Slovak provincial politicians, however, have not developed into grand-format politicians, and most of them do not stand a chance of such a development. They may haunt the political scene for a long time to come—disproportionally so with respect to their qualities. It is sad that the head of the state joined the ranks of this provincial category. Everything, for which the opposition reproaches Meciar, applies to the head of the state in full. In this instance, however, the Slovak prime minister is out of luck, for he bears the responsibility! This applies even to the damages caused by his adversaries through their irresponsible and destructive politics—intrigues from the lee side. The legally elected government is then unnecessarily forced to explain and discuss at international forums all kinds of nonsense about violating democratic principles in Slovakia and try ad absurdum to clarify intentional desinformation about the orientation of Slovakia.

The latest fruit of the irreconcilable antigovernment campaign is the whole-page advertisement that appeared in the SME daily under the headline "I Was Born Under a Totalitarian Regime and Do Not Want To Die Under It." The advertisement includes a facsimile of a petition sheet calling for a referendum with the question: "Are you in favor of dismissing Vladimir Meciar from the post of Slovak prime minister?" In this instance, too, it is more than obvious that this action cannot be financed from the pocket of an unknown Slovak. The only question is whose capital is gnawing at the Slovak domestic political scene. And why?!

Parliament Debates Schenk's Foreign Policy Report

AU1511162095 Bratislava NARODNA OBRODA in Slovak 11 Nov 95 pp 1, 2

[Article by Ivan Samel: "Parliament Devoted the Whole Day to Long-Term Tasks of Slovak Foreign Policy"]

[FBIS Translated Excerpt] Bratislava—Parliament devoted yesterday's proceedings to a debate on foreign policy. At the outset, Minister of Foreign Affairs Juraj Schenk delivered a comprehensive report on the long-term tasks of the Slovak Republic's foreign policy. Juraj Schenk announced in advance that he did not intend to react to current issues, which he termed ephemeral. [passage omitted]

In the ensuing stormy debate, Democratic Union [DU] Deputy I. Rosival reproached the government for strengthening the Slovak Republic's one-sided energy dependence on Russia. At the same time, he warned against the strengthening of ties in the political and military spheres and against the excessive interlinking

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of economic relations, which are needed, with political relations. He voiced the view that economic contacts should be company business and, only to a smaller extent, the government's.

Peter Weiss (Party of the Democratic Left) criticized the repeated postponement of the parliamentary debate on foreign policy. He critically assessed the fact that Minister Schenk's report sidestepped current issues because, following the demarches on the noncompliance with criteria [for EU associate members by Slovakia], it should be natural for parliament to discuss solutions, which definitely is not an ephemeral affair. He said that, regarding its view that integration is the Slovak Republic's basic national and state interest, the Movement for a Democratic Slovakia [HZDS] is in much greater agreement with the opposition than with its own coalition partners. Weiss said that the biggest problem of Slovak foreign policy was not a conspiracy by foreign countries, journalistic circles, or propaganda, but the way in which power is being exercised. He pointed out that the Association of Workers of Slovakia [ZRS] and the Slovak National Party [SNS] frequently present views about bridges and neutrality. He said that he does not hold these views against them; what he objects to, however, is that in this way they are casting doubt on the government's policy statement that they themselves endorsed.

Former Minister of Foreign Affairs Eduard Kukan criticized the fact that, until now, parliament had been blocking a foreign political debate. He touched upon the official quarters' reactions to the demarches, which could be characterized as an endeavor to belittle the serious nature of these diplomatic steps. He rejected the criticism that foreign circles do not negotiate with Slovakia's official representatives but with the opposition. Likewise, he rejected the thesis that our geopolitical position automatically guarantees European institutions' interest in us. Such statements are harmful, according to Kukan. "It is necessary to look into the mirror and not seek enemies elsewhere," he added, addressing the coalition. [passage omitted]

Jan Figel (Christian Democratic Movement) [KDH] said that the government's policy has two faces—one for Brussels and one for [domestic] rallies.

Jan Langos (KDH) said that NATO is an organization that was set up to protect West European values such as freedom and democracy. The Slovak Government's policy—personnel changes, the occupation of public service media [with coalition representatives], restriction of self-administration, privatization practices, disrespect for private property—defies the values that are professed by NATO and EU countries. [passage omitted]

Laszlo Nagy (Hungarian Coalition) asked Minister Schenk why the ratification of the Slovak-Hungarian treaty keeps being delayed, why he did not assume a stand on the demarches, and what he will do to ward off further demarches. Zora Lazarova (HZDS) said that the signing of the [Slovak-Hungarian] treaty was an act of good will, which, however, has not been followed by an improvement in relations.

According to Jozef Prokes (SNS), we pretend that there is some kind of an absolute paradise in the EU and NATO. The admission of a country into the community means, according to him, first and foremost, the fulfillment of the interests of those who are already there. He said that we would be stupid to join without it being advantageous for us. "If we are to join even at the price of the loss of our own sovereignty, in that case we are forced to consider also other alternatives." He also pointed out that the EU wants to build its own security system, the Western European Union, which is to be independent of the United States. As regards the demarches, he said that they are being sent to us from countries, of which one is blackmailing its neighbor, in one, asylum homes are being set on fire, and in one, no ones knows who belongs to the mafia and who not. Ladislav Pittner said that it is appalling to have to listen to such speeches and asked whether we want to take on the whole world. Pal Csaky (Hungarian Coalition) asked Juraj Schenk to assume a stand on Jozef Prokes' speech. [passage omitted]

Within the debate on Slovakia's possible neutrality, Zora Lazarova said that neutrality figures in the election manifesto of the Slovak Green Alternative, of which she is chairwoman. Asked by deputies whether this did not stand in the way of the signing of a coalition agreement with the HZDS, she replied that they concur in other points.

Imrich Andrejcak (HZDS) voiced the view that the aim of this debate is not to discuss foreign policy but to impeach the coalition. [passage omitted]

Augustin Marian Huska, who chaired the session, adjourned it shortly after 1600. It will continue on Monday, with a debate on foreign policy and Minister of Foreign Affairs Juraj Schenk's replies to deputies' interpellations.

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Views of Ex-Foreign Minister

AU1511210695 Bratislava NARODNA OBRODA in Slovak 14 Nov 95 p 1

[Article by Zita Sujova: "Kukan on Squalor of Slovak Parliament: A Lot of Personal Attacks to the Detriment of the Topic"]

[FBIS Translated Text] Bratislava—"The entire debate on the Slovak Republic's foreign policy demonstrated the squalor of the Slovak Parliament," Eduard Kukan, former foreign minister and Democratic Union deputy, told NARODNA OBRODA yesterday. According to him, far too much time was wasted on personal attacks to the detriment of the topic, and even though several reasonable statements were voiced by the opposition, Minister Schenk either ridiculed them in a biased manner or ignored them completely. The way in which the government coalition approaches the interpretation of the EU and U.S. demarches testifies, according to Kukan, to its continuing unwillingness to take a critical look at its own activity. "The minister's arguments that we are a regular country and that other states have problems simply just distract attention from the essence of the matter—and that is the style of government and measures taken by the government coalition since the parliament night of 3 Novemebr 1994, which do not correspond to the EU democratic principles," he emphasized. He also pointed out the discrepancy between the opinions of Dusan Slobodnik (Movement for a Democratic Slovakia) and Jozef Prokes (Slovak National Party) and the government policy statement. "It is inconsistency on the government coalition's part," he stated, and added that "it is alarming how the chairman of the Foreign Committee and member of the Movement for a Democratic Slovakia publicly presents his objections to the Slovak-Hungarian treaty, which was signed by the Slovak prime minister, because the government should have reached a definite opinion on such important documents a long time ago." According to Kukan, it is time for the strongest entity in the government coalition to resolve these issues and harmonize them so as to prevent the need for the government to explain abroad the views of some of its coalition partners.

Party Representatives Comment on Language Law

LD1611124495 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 16 Nov 95

[FBIS Translated Excerpt] The Slovak Parliament passed the law on state language yesterday. [passage omitted]

Our parliamentary correspondents Jarmila Tosecka and Zuzana Stukovska have asked representatives of all parliamentary groups to comment on the language law in the form in which it was approved by the National Council [Slovak parliament].

[Begin recording] [Tosecka] Eva Garaiova from the Movement for a Democratic Slovakia:

[Garaiova] I am very pleased to see that some very fitting amendments have been incorporated into the law and that they clearly improved the law. [passage omitted]

[Tosecka] Lubomir Fogas from the Joint Choice [coalition of the Party of the Democratic Left, the Social Democratic Party of Slovakia, and the Green Party in Slovakia]:

[Fogas] I think that amendment motions have succeeded in removing a whole host of unclear points from the law, especially regarding the use of the language during religious events. [passage omitted]

[Tosecka] Pal Csaky from the Hungarian Coalition [consisting of the Coexistence movement, the Hungarian Christian Democratic Movement, and the Hungarian Civic Party]:

[Csaky] (?As a Hungarian) I think this is a restrictive law which has failed to take into account European principles. I did not vote for it.

[Tosecka] Jan Borovsky from the Association of Workers of Slovakia [ZRS] parliamentary group.

[Borovsky] The ZRS parliamentary group has lent its absolute support to the language law. The main argument which swayed our decision was the fact that this law will once again boost the national identity of the Slovaks in Slovakia.

We also regard as positive the fact that, in accordance with the still valid international legislative practices in this sphere, the law to a certain extent enhances the education in the Slovak language of the Slovak citizens living in southern Slovakia.

[Tosecka] Jozef Prokes from the Slovak National Party:

[Prokes] I believe this law will fulfill the tasks set for it—this means that it will enhance the national identity, state sovereignty, and territorial integrity of Slovakia.

[Tosecka] Ivan Simko from the Christian Democratic Movement's parliamentary group.

[Simko] Since there has been no interest in reaching a consensus, we have come to the conclusion that the only political objective of the [ruling] coalition was to humiliate opposition deputies and compel them to vote for the bill which they know very well, from the legal viewpoint, is not good. Consequently, we had no other

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choice but to say what we deemed necessary, which was that since the amendment motions of fundamental importance failed to go through, we were unable to vote for this bill.

[Tosecka] Roman Kovac from the Democratic Union:

[Kovac] I believe that the major part of this law is good. I very much regret that we have not succeeded in including in this law the law on the use of national minorities' languages. I believe that after the Hungarian-Slovak treaty has been ratified, this law will be passed and we are ready to work on the drafting of this law. [end recording]

Agreement With Hungary on Gabcikovo Under Way

95CH0370D Bratislava HOSPODARSKE NOVINY in Slovak 7 Sep 95 pp 1-2

[Article by jp: "Agreement on Gabcikovo?"]

[FBIS Translated Text] Bratislava—The conflict between Hungary and the Slovak Republic, which has been ongoing for years, has recently experienced a fundamental change in the attitude of our southern neighbor. Following a confidential conversation between Prime Minister Horn and Prime Minister V. Meciar in the High Tatra Mountains, the negotiations on this question have now been joined by diplomats from both countries in the Slovak capital. For the Hungarian side, the meeting was participated in by Gabor Gobolyos, ambassador and diplomatic adviser to the prime minister; the Slovak Republic was represented by Jozef Sestak, state secretary from the Ministry of Foreign Affairs. Shortly after the meeting ended, both participants confirmed for members of the media the presence of goodwill to seek such technical, energy, ecological, and legislative solutions in the matter of the Gabcikovo-Nagymaros Water Management Project as would make it possible, in the event of a compromise, to avoid seeking a way out through a decision by the International Court in The Hague.

In response to a question by HOSPODARSKE NOVINY, whether this change can be considered to be a certain victory of the water management and technical lobby in Hungary, which recognizes the economic advantages of the project, G. Gobolyos stated that this was primarily a victory for common sense, which is based on the principle that such unresolved questions need not exist between two neighboring countries. It is also possible to consider it a victory for the kind of collaboration that developed on the basis of decisions made by the Slovak and Hungarian Governments last year. In this connection, G. Gobolyos told HOSPODARSKE NOVINY that it will probably not be possible in Hungary to avoid all critical voices. This is a matter of forces that, from the beginning, have been rejecting the development of the water management project. There are also those who doubt, those who do not expect that there is a possibility for agreement and that it is possible that such commentaries may appear in the coming months. In the event of a positive development of the negotiations, the Hungarian side wishes to contribute to the withdrawal of the above-mentioned case from The Hague prior to the stipulated deadline, which is six months, on the basis of an agreement between both countries.

Deputies Comment on Amendment to Referendum Law

AU1511155095 Bratislava PRAVDA in Slovak 14 Nov 95 p 2

[Interview with Peter Brnak, Constitution and Legal Affairs Committee chairman (Movement for a Democratic Slovakia), and Ivan Simko, Parliament deputy and deputy chairman of the Christian Democratic Movement, by Martin Krno in Bratislava on 13 November: "Deputies on the Amendment to Referendum Law: Powers From President to Parliament"]

[FBIS Translated Text] [Krno] How does the amendment proposed by your group of deputies improve the law on the method of announcing a referendum?

[Brnak] I am one of six sponsors of this bill. It was drafted a long time ago—after the petition sheets had been presented to the president, and after they were checked by a computer company, he refused to announce a referendum because of the questionable nature of the petition. On the professional side, I believe that it is the role of the parliament to verify petitions. As opposed to the president, it is a direct rather than a mediated representative of Slovak citizens. Moreover, the National Council of the Slovak Republic commands better possibilities for achieving the intended goal—both in the form of the expert apparatus and the guarantee of bringing the referendum to a successful conclusion. Personally, I do not feel well enough informed on the degree of importance of the political aspect of sponsoring the law. Nevertheless, it reflects the overall heavy burden of the present social situation, the relationship between the president and the parliament and cabinet.

[Krno] Why did a group of government coalition deputies come up with this amendment as long as a year after the elections? Does it have anything to do with the prime minister's statement that one of the ways for the current president to leave political life is a referendum?

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[Brnak] For myself, I do not see the meaning of the amendment precisely in this step, although I would not rule out a certain element of political approach here. Nevertheless, it does not concern the announcement of a referendum on the president as much as the general relations of president-parliament-government.

[Krno] Why does the amendment leave out the necessity of including on the petition sheets the birth registration number, which is the best identification sign?

[Brnak] I do not believe it necessary to be suspicious about it. Our committee decided to accept the request for including the birth registration number. For myself, I have no objection against it.

[Krno] How do you feel about the adopted amendment?

[Simko] It is one of the most primitive bills the present government has presented in the parliament. It is not even politically important for them because they have enough votes to decide on any referendum they want. It only makes sense if the government intends to use these means to ensure that a question contrary to the Constitution is rendered constitutional by parliamentary majority.

[Krno] If the law in effect is not quite ideal, how could it be improved?

[Simko] The current text of the law seems acceptable and usable to me. The 1994 amendment introduced some stricter technical measures—the compulsory listing of the birth registration number on the petition sheets, for instance. This was left out by the sponsors of the amendment. After all, it is not just a matter of a simple petition. In this instance, the number of signed citizens is very important because it infers serious legal consequences. This way, dead souls can appear among the signatories.

[Krno] You mentioned the constitutional nature of a question. Do you believe that a referendum can decide on reducing the president's term in office or his recall?

[Simko] This could be a long discussion. Nevertheless, a referendum oriented toward a decision by the citizens regarding this important issue apparently could be announced.

Opposition Group: Property Law Anti-Constitutional

AU1511105195 Bratislava SME in Slovak 11 Nov 95 p 3

[Article by "jo": "Permanent Conference of the Civic Institute: Piece of Paper Instead of Land"]

[FBIS Translated Text] Bratislava—According to Frantisek Sebej, member of the Permanent Conference of the Civic Institute [SKOI], the coalition has not grasped in the least what kind of commitments it assumed by submitting its application for EU membership. It has become a tradition that the coalition puts forward legislative norms that are at variance with the Constitution and with the spirit of a democratic society, Frantisek Sebej said. One such piece of legislation, according to SKOI, is also the approved law on the adjustment of property relations and the settlement of property claims in cooperatives. It does something that not even the bolsheviks had the audacity to do—completely depriving people of land ownership and compensating them with a participation certificate, a piece of paper that need not have any value, Frantisek Sebej said, and pointed out that the Constitution guarantees the protection of property. He also subjected to criticism the statement by Movement for a Democratic Slovakia Deputy I. Belohorska that the Council of Europe should worry also about other countries than Slovakia. Belohorska was reacting to the announcement of M. Martinez, chairman of the Council of Europe Parliamentary Assembly, that, unless the Slovak delegation to the Council of Europe is complemented with a representative of the Hungarian Coalition, it might be barred from voting in the European Parliament in January 1996.

Parliament To Investigate Dubcek's Death

95CH0352B Bratislava SLOVAK SPECTATOR in English 2-15 Aug 95 pp 1, 12

[Article by Jana Dorotkova and Richard Lewis: "Was Dubcek Murdered? Parliament Aims To Find Out"]

[FBIS Transcribed Text] Was Alexander Dubcek, the leader of the 1968 Communist reforms known as the "Prague Spring," murdered?

Parliament is suspicious enough to join hands and reopen an investigation into Dubcek's allegedly mysterious death. Dubcek died on November 7, 1992, from multiple spinal injuries suffered in a car accident on September 1 that year. His chauffeur-driven BMW hydroplaned in heavy rain and plunged into a gorge by the freeway as Dubcek, just 20 days short of his 71st birthday, was enroute to the then-Czechoslovak capital of Prague.

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Slovak politicians, in a rare display of unity, are all in favor of reopening an investigation, which would commence in September, if parliament, as expected, formally votes for it. "There's no reason why it should not be investigated again," said Stanislav Haber; the press spokesman for the Movement for Democratic Slovakia (HZDS), of which Prime Minister Vladimir Meciar is the chief. "It's in our interests to clarify the circumstances of Dubcek's death." Haber said the HZDS gave its thumbs-up to the idea because the investigation would be "from the Slovak point of view."

Other Slovak parties echoed that sentiment, saying that an investigation carried by a Czech court in Ceske Budejovice had not laid the case to rest. The court did sentence Dubcek's driver, Jan Reznik, to one year in prison for negligent driving, though Reznik, who escaped unhurt from the accident, has yet to start it.

Miroslav Spejl of the Social Democratic Party (SDSS), which announced the commission's formation, said the commission will concentrate on clearing up several unsolved questions left over from the court's ruling. In short, these are:

1) Dubcek's body. It was found lying 15-20 meters in front of the car, though the rear and side windows had been blown out and the windshield was intact.

2) Reznik, the driver, said people turned up right after the accident although they could not have known that it had already happened.

3) Dubcek's bag of documents. Reznik said Dubcek had been studying documents in the car which were never recovered. Spejl also said the bag that supposedly contained the documents was never found. In a recent interview for the Slovak television station VTV, Reznik said he gave the bag to police who had come to the scene.

4) Dubcek's hospital care. Spejl alleged that hospital personnel in Prague, though ill-equipped to deal with spinal injuries, vetoed moving Dubcek to Brno or to Bologna, Italy, both of which Spejl said have better facilities.

5) Dubcek's friends and relatives who spoke with him after the accident were never called to testify, Spejl said.

The fact that Reznik escaped unscathed and, like many career drivers for the government, had links to the former Communist secret police, only add to the speculation. Spejl said "it will be necessary" for the commission to bring Reznik in for questioning.

There are reasons the KGB wanted to get rid of Dubcek, said Jaroslav Volf, the chief of the SDSS, the party which Dubcek was head of when he died. As a longtime Communist, Dubcek knew its deadly secrets well. He became chairman of the Czechoslovak Communist party in January 1968 and embarked on the "Prague Spring" reforms that incurred Moscow's wrath. The Soviets led a Warsaw Pact invasion of Czechoslovakia to crush the reforms that August.

Dubcek was arrested, taken to Moscow and gradually stripped of all his power. After a brief spell as ambassador to Turkey, he lost all his offices and remained under close watch by the secret police in a hilltop villa in the Slovak capital, Bratislava.

After communism was toppled in 1989, Dubcek became president of the federal parliament. Shortly before his death, Dubcek accepted an invitation to Moscow to stand witness at a trial against officials of the former Soviet Communist party.

The assassination theory is bolstered by the similarly mysterious death of former Polish premier Piotr Jaroszewicz, who was murdered at home on the same day that Dubcek had his accident. Jaroszewicz, too, was set to travel to Moscow. Although a gang of thieves was later arrested and accused of his murder, the case has not come to court, fueling speculation about a possible KGB execution.

Reaching a final verdict in the Dubcek case will be difficult as Dubcek died in the waning days of the former Czechoslovakia, and most pertinent documents rest in the Czech capital, Prague. This for some fuels their conspiratorial suspicions. "There are many open questions left over from the court's conclusions," Spejl said. "It (the accident) was in the Czech republic; it was Czech policemen."

The Czechs appear to be in no hurry to dig into the case, but support may well up. "We welcome the initiative (to reinvestigate Dubcek's death), and we support it," said Milos Zeman, leader of the Czech Social Democrats.

Growth in Economy Reflected by Statistics

95CH0370B Bratislava HOSPODARSKE NOVINY in Slovak 11 Sep 95 pp 1-2

[Article by TASR/HN: "Industrial Production Has Risen"]

[FBIS Translated Text] Bratislava (TASR/HN)—The anticipated growth of the Slovak economy, which was signaled by the results of the first half of 1995, is also confirmed by the summary of statistical data for the past seven months. Production in industry (measured in terms of product manufacturing) was 5.6 percent greater in July in Slovakia than it was in July 1994. For seven months, the volume of production amounted

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to 276.6 billion Slovak korunas [Sk] and, in comparison with the same period of last year, rose by 7.4 percent (in comparable prices). As can be seen from the informative report put out by the Statistical Office of the Slovak Republic on fundamental trends of development in selected sectors of the economy of Slovakia, the developments reflected mostly the growth of industrial production in the processing industry (by 10.1 percent), a decline in production in the extraction of mineral raw materials (by 4.3 percent), in the production and distribution of electric energy, gas, and water (by 10.3 percent).

The Slovak construction industry has less reason to be satisfied. The volume of construction output did rise by 3.4 percent in July, in comparison with the same period of last year, and, over a period of seven months, construction volume was valued at Sk26.7 billion, but housing construction—for which young families are waiting ardently—has still not recovered.

A partial recovery can also be recorded in agriculture, where July sales of agricultural products (excluding seed stock and seedlings) were 6.3 percent higher in current prices than was the case in July 1994 and for the period of seven months of 1995 amounted to a value of Sk15 billion. After taking price developments into account, the overall volume of sales during the year increased by 2 percent.

Retail sales also rose in July 1995. In current prices, they exceeded the July 1994 level by 15.8 percent; in comparable prices, they increased by 4.6 percent. This trend was aided by a certain increase in real average monthly wages during the year, which represented 4.2 percent in industry, 5.2 percent in the construction industry, 2 percent in commercial organizations, and 6.9 percent in transportation.

Businessman on Obstacles to Enterprise

95CH0370C Bratislava HOSPODARSKE NOVINY in Slovak 12 Sep 95 p 4

[Article by Jozef Majsky, member of HN Club: "What Makes Entrepreneurial Conditions More Difficult in This Country?"]

[FBIS Translated Text] In every society, the conditions for successful entrepreneurial activity are not only a question of courage and ownership of a certain amount of capital, but also a question of specialized knowledge, and primarily a question of familiarity with the law and the skill to know one's way about and how to orient oneself within the labyrinth of regulations, decrees, and various other rules and methodological measures. That is why we must first recount how the transformation process in this country is progressing and how the individual goals that were outlined are being fulfilled.

The fundamental condition for the reform of the entire taxation system in this country revolved around the decisive role of its approach to business activities in developed economies, the support and motivational and stimulating function of taxes, the expansion of business entities, the creation of a competitive environment, the unification of conditions for differing business entities, and the gradual reduction of the tax burden to the level of developed market economies. Effective 1 January 1993, a new accounting and taxation system was introduced that, in its fundamentals, is compatible with the system in use in developed market economies. We can also consider the fact that taxes were unified without regard to ownership, and that those enterprises who have the prerequisites to demonstrate that they will be prosperous in the future can amortize losses over a period of five years, to be a positive development.

At the present time, polemics are taking place at various levels as to whether the tax and insurance burden for the entrepreneurial sphere is appropriate to current needs of motivation in the business sphere aimed at recovery in our economy. In other words, whether support for private business on the part of the government and state is sufficient for our economy, following several years of recession, to record a specific growth in the gross domestic product, accompanied by a substantial decrease in the rate of inflation, improvement in the balance of payments, and a substantial decline in the level of unemployment.

Information provided by the National Bank of Slovakia [NBS], which appears in the Report on the Economic and Monetary Developments of the Slovak Republic for 1994, is very convincing that in 1994 there was a fundamental change in macroeconomic magnitudes. The government coalition talks of a high rate of the GDP accompanied by a substantial decrease in inflation and by a relatively good balance of payments, which ended up with a positive balance and resulted in an increased amount of foreign exchange reserves.

But the report touches only marginally upon those measures of the government with the aid of which the listed results were achieved. To protect the balance of payments, the beginning of the year saw the introduction of a 10-percent import surtax imposed on some commodity groups, the tax rate on added value rose from 23 to 25 percent, social taxes were adjusted, and, on the other hand, some reduction measures in the expenditure part of the state budget were taken. The report only marginally mentions that the development of the Slovak economy expressly profited from economic pros-

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perity abroad, which created room for the recovery of export activities. The report speaks not at all of specific exports, which are characterized by the fact that we are focusing on exporting ever-increasing quantities of materials, but says nothing about the export of know-how.

We have become convinced that conditions in foreign markets are much tougher and stricter than those in our domestic market or in the former CEMA market, in which we participated to a predominant extent. We shall gradually have to increase wages and reduce prices, which will result in our having difficulty in maintaining our position in this tough competitive environment. And not even good controls in and of themselves will guarantee that we can maintain our position in demanding Western markets.

In the future, greater attention will have to be devoted to questions and tasks involved in lowering costs and increasing productivity because the current advantages accruing to entrepreneurs, which are based on much cheaper manpower, will not last forever.

Problems remain with respect to recovery of the so-called large industrial establishment and in the extraction of mineral raw materials; production continues to decline in the foodstuffs industry, the clothing industry, and the textile and leatherworking industries. Problems involving the stagnation of the construction industry persist; output in agriculture is showing a constantly declining tendency.

From the standpoint of the ownership of economic entities, more than half of the GDP is accounted for by the private sector. Nevertheless, we note that the current government team is not devoting adequate attention to the development of the private sector. We can list the following factors as being dominant obstacles to a more rapid development of the entrepreneurial sphere, which has an effect on reviving the economy, as well as affecting the substantial economic growth of the GDP:

—The relatively high tax and insurance burden for the business sphere.

—Inadequate support for private business on the part of the state and relatively slow and nontransparent privatization.

—A shortage of bank credit, the high degree of insolvency in the business sphere, and the weakness in the development of the capital market.

—The relatively extensive administrative apparatus having to do with supporting the operations of a firm.

—The very low purchasing power and insolvency of the population.

—The consistent amendment of tax laws based on their instability, lack of clarity, and the lack of ties between individual laws. Sometimes, entire laws are lacking; for example, a law on holding corporations.

The government has pledged that, after reconstructing the tax and insurance system, it will take on the gradual reduction of the tax burden to harmonize with the levels of the tax burden in developed market economies. That is why I ask you to allow me, in the subsequent portion of this report, to point out some of the problems with which the entrepreneurial sphere is struggling and that are an impediment to the entrepreneurial sphere (even in comparison with some developed market economies):

The Tax Burden Represented by the Corporate and Individual Income Tax Is High

Legal entities in the Slovak Republic pay a 40-percent tax and their income is also subjected to a 38 + 12 percent—or 50 percent—tax rate for social insurance. In the majority of countries with developed economies, income tax runs approximately from 25 percent to 40 percent, and social insurance is within the range from 12.5 percent to 30.2 percent, with minor exceptions.

This indicates that the social security rates in the Slovak Republic are incomparably high in comparison with those in the developed economies of the European Union [EU]. Although the taxes on corporate income do not contain such great differences, if we wish to compare ourselves with the other countries, the real tax rate should be between 30 and 35 percent. In evaluating the tax rate and the insurance rate and the burden they represent, it is necessary to gradually apply a reduction in the rates, which is advantageous to both parties—both the entrepreneurial sphere and the state—because, given a larger number of business entities and a lower tax rate, we gain a greater portion of tax revenue for the state budget.

The shortcoming in the income tax law, in addition to the need to lower taxes, appears in the need to be more precise, for tax purposes, regarding expenditures for advertising, sponsorship and sports, shortages and damages from the standpoint of computing the tax base, in terms of gifts, and so forth—in other words, the need to reevaluate deductible and nondeductible components with respect to the tax base.

In terms of the personal income tax in the Slovak Republic, the lowest and highest differences range from 15 to 42 percent; in the countries of the EU, the span runs from 5 to 50 percent.

From the above, it is evident that the tax rate in the Slovak Republic is comparable with that of the

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developed economies of the EU, but that it would be necessary and effective if the lowest tax rate, that is to say, the 15-percent rate, were to be asserted up to a level of 120,000 Slovak korunas [Sk] rather than to the existing level of Sk60,000, and if this increase would be passed on to the other tax rates.

As far as the value-added tax is concerned, the tax rate applicable to the value-added tax in the Slovak Republic is 25 percent at the standard rate and 6 percent at the reduced rate. By comparison, in the Czech Republic, the original rates of 23 and 5 percent continue to apply; in the countries of the EU, the standard rate is around 20 percent and the reduced rate is about 6 percent.

This indicates that the severity of the law and the magnitude of the tax rates used in this country, in comparison with the other countries of the EU, weighs on the backs of business entities. The value-added tax rate, particularly at the standard rate, is incomparably high and needs to be lowered.

In conjunction with the assertion of the value-added tax, another topic that still continues to be discussed is the obligation to introduce cash registers. The view of business people is that entrepreneurs and small business operators should be required to introduce cash registers if their sales exceed a certain limit.

The law on the value-added tax contains many obscurities and imprecisions that may be explained in various ways. One of the problem portions is the question of resolving the change that corporations make to another legal form of existence without going through liquidation according to Section 69 of the Commercial Code, which defines the concept of corporation transformation with great feeling and precision. Unfortunately, this accuracy and precision was not reflected in the law on the value-added tax and therefore there are varying interpretations. Tax offices, making use of their command powers, order the payment of value-added tax even on the property of corporations transforming themselves in this manner—something that is in conflict with the above law.

Insufficient Support for Private Business on the Part of the State and Government

Development of small and medium-size business depends, to a large extent, on the level of assistance rendered by the government and the state, as well as by assistance from financial organizations providing credit.

Government and state support should be understood as the effort by those entities to see to it that suitable, timely, and thorough legislative laws are adopted. They should ensure the availability of mobilizational elements to benefit the expansion of the business sphere by a suitable form, such as the granting of tax relief, or the provision of advantaged or free consultation services. After passage of a suitable amount of time, they should gradually dismantle those demobilizing elements that are disadvantageous; for example, those that are disadvantageous with respect to the creation of a competitive environment, regardless of whether this involves an import surtax or other elements.

The Shortage of Bank Credit; The High Degree of Insolvency in the Business Sphere; The Capital Market, Which Is Developing in a Weak Manner

Currently, there is a great shortage of bank credit in our commercial banks. We can characterize the long-term bank credit necessary to modernize and restructure the enterprises as being the result of the virtually complete unavailability of inexpensive bank credits and guarantees. A similar situation also exists with respect to the granting of midterm credits. Hitherto granted short-term credits carry high interest rates, with the commercial banks insisting on high guarantees and big down payments.

The high degree of insolvency in the entrepreneurial sphere developed in the presence of the failure of finances in circulation, the cause of which is the assertion of incorrect and untransparent privatization, the absolute absence of a control mechanism over state enterprises, the essentially nonexistent or very weakly developing capital market, as well as the low efficiency of the economy.

The Extensive Administrative Apparatus That Ensures the Operation of a Firm

The extensive administrative apparatus that ensures the operation of a firm is based on the requirement of the state administration to safeguard the accounting system and the reporting system, the economy, and other enterprise activities that are being emphasized more than in the past.

A small businessman cannot afford to employ an economist, an accountant, or another specialist so that they can ensure problem-free operation of his firm. Not to mention that, under today's complicated conditions, he must have a legislative specialist for laws, a software specialist, and an employee who specializes in commerce, transportation, shipping, and so forth.

Low Purchasing Power and Insolvency Among the Population

We must realize that the purchasing power of the population tends to regulate the market and the development of the economy, both from the positive and also the negative aspects. Currently, however, we must note that the

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purchasing power of the population is so low that it has become an impediment to the development of the market and to the development of the economy. We must realize that every functioning and prospering economy is based on a strong middle class, which exerts a favorable influence on the development of the economy and the subsequent formation of the gross national product with its capital.

Amendment of Laws and the Absence of Some Laws

Every transformation process characterizes the instability of tax laws and other laws. This is no different in our country. The tax laws are characterized by their frequent alterations. We may express justified doubts regarding the quality of legal regulations in the area of taxes, which should be characterized by being clearly understood, by having unequivocal concepts and provisions, by being interconnected with related regulations, by being simple and stable.

For example, there has been a lot of talk on the need to pass a law on holdings. A large number of similarities already exist with respect to the internal arrangement of numerous corporations of the holding type, that is to say, groups of commercial corporations that have a common decisionmaking owner. All of these corporations are demanding a law on holdings. The failure to solve this problem acts to impoverish the state budget in the area of higher revenues, but also impacts corporations by depriving them of higher profits.

In conclusion, it is necessary to state that the economy is what primarily suffers as a result of political instability in the state. Foreign investors are justifiably cautious. The risk level for investments is high according to foreign banks.

The theory of golden shares in the majority of enterprises is wrong and has cost the state billions, the lack of which is felt in the economy. The halting of the second round of privatization has resulted in a significant decline in the capital market. In Germany, the state does not manage a single enterprise.

We are trying to categorize firms in groupings of those who are politically favored and those who are not favored. The most difficult task is to persuade them that a company that employs, let us say, 10,000 workers cannot fail to support the government. The political compartmentalization, along with envy, is producing immense amounts of evil.

It is an illusion to believe that the new owners will be loyal to one or another party. As soon as they take over the enterprise, if conditions have not been created for them, then they will support a policy that will help them create such conditions.

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Tabajdi Views Minority, Foreign Policy Approaches

AU1511181095 Budapest NEPSZABADSAG in Hungarian 15 Nov 95 p 6

[Interview with Csaba Tabajdi, political state secretary at the Prime Minister's Office in charge of ethnic minority issues, by Laszlo M. Lengyel; place and date not given: "Minority Policy in a Narrow Scope"]

[FBIS Translated Text] On the basis of the events of recent months, we can say that we cannot see a six-party or national consensus regarding the Hungarian foreign policy efforts and practices. In connection with this, we asked Csaba Tabajdi, political state secretary at the Prime Minister's Office in charge of ethnic minority issues, whether he agrees that this lack of consensus originates from the differences in the Hungarian foreign policy's approach to neighbors and to the minority policy.

[Tabajdi] There is a genuine concept debate and difference of opinions between the governing parties and the opposition on how to adjust the issue of NATO integration with the issue of ethnic Hungarian beyond our borders, as well as the issue of good neighborly relations and the rights of ethnic minorities. At the same time, the opposition does not have concrete answers on how to bring these two areas in harmony, areas that are indeed contradictory in many respects. They are contradictory because the West regards the issue of ethnic Hungarians in Slovakia and Romania as bilateral issues. Although this problem is reflected in our bilateral relations, the solution lies with the governments in Bucharest and Bratislava, and not in Budapest. This is a human rights and national minority rights problem within those capitals, and this problem would still exist if Budapest kept silent and disregarded it. And this is out of question.

With Subtle Means

[Lengyel] The opposition's radicalism is hindering the assertion of Hungarian interests, but to what extent can it generate independent foreign policy effects? How does this affect the first priority, namely, our euro-atlantic integration?

[Tabajdi] It reduces our integration chances, because Hungary has to fulfill contradictory expectations. On the one hand, Hungary must demonstrate that Hungarian-Romanian and Hungarian-Slovak relations are manageable and that this is not a Greek-Turkish conflict. On the other hand, if we show that there are developments in the system of relations with our neighbors, this cannot hide the existing violations and limitations of minority rights. One can only argue whether there are proper proportions in the daily concrete steps and whether the government shifted too much toward good-neighborly relations and gave in on the national minority issue.

It is the right and obligation of the opposition to criticize. However, this criticism can only be efficient in modifying the policy if it formulates concrete ideas and proposals. The signaling of concrete trends is also justified because, no matter what government will emerge in 1998, it will have to face the same dilemma. What if the opposition parties in 1998 say that the government is sacrificing our NATO integration for the benefit of the ethnic Hungarians abroad? We must acknowledge the fact that our scope is narrow, and there is no room for strong confrontations; we can and must engage in politics with subtle means only.

If cooperation worked well, the opposition could broaden the government's scope for maneuvering, because the opposition can utter things that are much more difficult for the government to say. Instead of this cooperation, however, a confrontation has emerged, and it seems that the goal of this confrontation is clearly to force the government into the corner, rather than to improve our foreign policy and national minority policy. For the opposition parties too, it would be expedient to withdraw the fate of the minorities from the effects of domestic policy, and this also requires government cooperation. This is indeed an overall national interest.

Eurocoyness at Talks

[Lengyel] At the same time, it seems to me that, in the government policy, there is some kind of a "Eurocoyness" especially in the activity of professional diplomacy. In other words, as long as it is possible, we should avoid coming up with the national minority issue at talks in the West, as if this issue were an embarrassing one.

[Tabajdi] No doubt, there is such a trend, and I think the expression "Eurocoyness" [Euroszemermesseg] is a fitting word. The essence of all this is that, given the fact that the West does not show particular interest in learning and mainly dealing with the national minority issue, this type of reserved attitude really appears in some persons and some diplomats. This needs correction because, if our Western partners only learn about the Slovak or Romanian position on the situation of ethnic Hungarians in Slovakia or Romania, and they do not learn about a calm and objective Hungarian system of arguments based on outstanding European solutions and specific European documents, we can easily fall into a trap regarding our NATO integration, because the West might come up with conditions that cannot be fulfilled. To avoid this, we must see what the government

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in Budapest can do for historic reconciliation or for normalizing our bilateral relations.

[Lengyel] Recently you have often referred to an ebb in European national minority policy. Does this ebb come from the fact that, following a period of negotiations and then codification aimed at drawing up concrete documents and agreements, the period of implementation, definition of guarantees, supervision, and reckoning would now be on the agenda, which require detailed work, but the national minority policy does not have the apparatus and is not really prepared for this?

[Tabajdi] We must prepare for the detailed work with which we can represent the real contents and sources of our problems. However, it also has to be shown that no one needs to be afraid of the autonomies because these exist in several places in the West—Corsica, Catalonia, Germans in Belgium, South Tirol, and I could continue the list—in a form that they can also support. Wherever the situation of the national minority has been settled in a reassuring way, they were given autonomy in some way and to some degree. The aforementioned detailed work is very incidental and very much lacks coordination. If we had a good scientific and coordination background, it could be at the disposal of all parliamentary parties and this area of problems could also be represented through the international contacts of parties.

[Lengyel] With the establishment of a system of Hungarian national minority autonomies in the Carpathian basin, the dilemma of whether to form parties or to do politics on a national basis would come even more to the forefront. Can a national minority member "Csurka" and "Thurmer," and "Peto" and "Ivan Szabo" [reference to heads of Hungary's extreme right and left, liberal, and conservative parties] remain together just because they are Hungarian?

[Tabajdi] I do not really know any national minority Csurka or Thurmer because, although the Hungarians living beyond the border are becoming polarized, I have not met any real extremists among the leaders. There are some more radical and some more moderate politicians among whom, looking at it from Budapest, there is not so much difference as they try to make it appear.

The theoretical essence of the issue is how political plurality can be represented in an umbrella organization. A number of ways exists. With all its problems, I find the Slovak Hungarian coalition exemplary—it embraces the whole political palette, including the liberal, conservative, and Christian value systems, except for the democratic left wing. The Democratic Union of Hungarians in Romania, which operates as an umbrella organization, can be the other example.

The society of Hungarians beyond the border does not reflect the whole West European or even the Hungarian political spectrum. The political orientation points in a Christian-conservative and, to a smaller extent, liberal direction. In addition, apart from the Upper Lands [southern Slovakia], I do not know of any political division which had been set up along political and ideological criteria under the notion of political plurality, rather than along personal conflicts.

The Necessary Determination

[Lengyel] In the wake of the Romanian and Slovak events in the last weeks, one must ask: Where is the limit beyond which Budapest cannot stay silent anymore and, in fact, has to assess its possibilities for action to achieve change?

[Tabajdi] I feel that the Slovak language law can be such a turning point. The Hungarian Government has to show a very firm stance in this case. If the tendency of further reducing the rights of Hungarians living there is continued and the Slovak language is made exclusive in contacts between the state and the citizens then this can, in the medium term, devalue and make relative all those political values which are contained in the basic treaty. It would be good to avoid this.

The same danger appears in a different form in Romania. Here, there is a visible conflict between the Romanian initiative for reconciliation and the actual actions (education law, the attempt to amend the penal code). Hungarian foreign policy will have to find the proportion with which it can be tough and firm while maintaining talks, but not creating the illusion that Budapest is giving a free hand to the disapproved intentions.

An adequate determination has to be shown, otherwise the processes which have been launched in some countries in the life of the Hungarians living beyond the border can become unmanageable. In this sense, the coming weeks and months can be decisive for national minority policy.

Horn Interviewed on Managing Economic Crisis

LD1511162695 Budapest Kossuth Radio Network in Hungarian 0543 GMT 15 Nov 95

[FBIS Translated Excerpt] Dear listeners, our studio guest this morning is Prime Minister Gyula Horn, who is also the chairman of the Hungarian Socialist Party [MSZP].

Esteemed Prime Minister, the MSZP Budapest delegates' meeting proposed that the delegates at the MSZP

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congress in November not vote to approve the [party chairman's] report, because it would also imply a personnel and confidence vote, and that a MSZP congress which will deal with personnel and organizational issues be held as early as March and not in May. To what extent are these proposals bad signs for the current party leadership?

[Horn] I am very open to any solutions. The idea that a vote should be taken on the report has been raised. If the congress decides to have a vote there will be a vote, if it does not want a vote over the reports, I will take note of that as well.

Regarding the party's situation, it has to be taken into consideration that every tension which prevails in society quite understandably affects the party as well. We are a governing party, a party with responsibility for government. There are several things we imagined would be different. However, the fact that the heritage we took over was so hard, that the solution of the problems is so difficult, also has to be taken into consideration.

[Announcer] Prime Minister, for how long is it possible to blame this heritage?

[Horn] Look, I often speak to all kinds of people, and people frequently ask me—on the last occasion in the 11th district of Budapest—why we do not tell the people about the situation we inherited. [passage omitted]

To manage a crisis and a transformation process simultaneously has never been done anywhere in the world. It is very difficult. And this is when MSZP members raise the question of where our left-wing values are! My opinion is that if we do not manage to put the country's matters in order, if we are not able to stabilize our financial and economic situation, we will not be able to assert any value, any interest of the nation or the country. There is no alternative. We simply live in a world in which only performance counts. I, together with my government, would like to lay the foundations for a situation when only performance counts and democracy, which is the essence of politics, prevails in politics.

It is very easy to put an economy in order in a dictatorship, as has happened in the Far East. This path is not available to us. We have to keep every democratic rule and we will keep them, but it has to be taken into consideration that this will cause a problem of conscience and other crises for a lot of people in the MSZP and, let me add, in the government as well.

[Announcer] Prime Minister, on Monday [13 November], following a curious prelude of signature collecting, the MSZP's parliamentary group decided, contrary to the proposal by its leader, that they would evaluate the work of the group at the end of January or beginning of February and, if necessary, that they will draw leadership conclusions as well. What message do you read in what has happened in the parliamentary group?

[Horn] For me, there cannot be even a single word of complaint regarding cooperation between the parliamentary group and the government. After all, in the past 16 months all our basic endeavors have been supported by our deputies in parliament. Without this, the government would not exist and could not function. So, I regard the work of the parliamentary group to be basically very good.

It is true that not all of our deputies are killing themselves [toeri magat], unfortunately. A situation has developed in which there is quite a lot of grumbling, disgruntlement and so on, which is also justified. It is true that the government cannot always remain consistent, either. If within the party we examine how and in what way party work has developed in the past months, what organizational, personal, and other changes have had to be implemented, then in my opinion it is nothing out of the ordinary if the deputies are also saying that we should examine the same thing within the parliamentary group's leadership as well. My cooperation with the parliamentary group leadership is decidedly good; they provide a lot of professional help. But I see nothing wrong in our parliamentary group putting the work of its leadership on the agenda.

[Announcer] Prime Minister, faced with the criticisms, or the accumulation of tasks, or simply because you cannot see how to end certain tensions, have you never thought of quietly preparing your departure, handing over to someone else your mandate as government head, or party chairman, or perhaps both? [passage omitted]

[Horn] Well, I am under a great deal of pressure, and not just me, but the entire government, too. After all, as I have said, we have to carry out extraordinary tasks. Quite a lot of base attacks are also leveled at me, at us. But one has to put up with this as well. I have already sworn—both to myself and before the country—that I will do everything to ensure that Hungary can catch up with the family, the community, of developed countries, and we now have a historic chance for this. Everything must be subordinated to this objective. By this I mean, in concrete terms, that for our own part we must do everything here to ensure that in the first half of 1998 talks about accession with the EU can begin. For by then the transformation of the domestic economy and after that Hungary's domestic and international possibilities will expand to a huge extent. So, we have a chance. Now, if we subordinate everything to this, then we have

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to put up with the tensions, the base attacks, the various problems.

On Sunday [12 November] I was present at a workers' branch meeting at the headquarters of the Vasas trade union and one lady asked, also in writing, why I say such things, because if they want to replace me as party chairman then I would relinquish both offices, that of prime minister and party chairman alike, and have I thought about the great responsibility that if I did this, the party would afterwards fall apart and my role in this would also be very serious because ...

[Announcer, interrupting] Would you do it, would you do it, if...

[Horn, interrupting] I think this dear lady was right in so far as one should not preoccupy oneself with one's own personal troubles. That is not my job, that is not what the electors mandated me to do; they elected me to carry through what I undertook. And if they let me carry it through, then it will be successful. Naturally, I never have been obsessed with power, either in the past or today. It is not the post, the office of prime minister, which has interested me. It sounds very nice, but I must say it is a terrible responsibility, accompanied by quite a lot of troubles and problems of all sorts.

[Announcer] It struck me that you used the expression: if they let me. Do you know of people within your party who want to overthrow you?

[Horn] Look, in this party there have always been people who wanted to overthrow me, even during our period in opposition.

[Announcer] In the MSZP?

[Horn] In the MSZP, in the Hungarian Socialist Party. But it was a negligible minority. And I say that I have fulfilled completely what I promised when they elected me party chairman in May 1990. I set the MSZP on its feet, together with others; the European left wing has become a serious, indelible, big political factor in Hungary, and the MSZP has been admitted to the Socialist Internationale. These things I promised in May 1990; I have fulfilled them. And in the summer of 1994 I promised that we will overcome the country's critical situation and carry through the transformation.

All I can say now is that the same is true with the objectives we now formulate, that if we raise the country economically, socially, and in every other sphere so that it catches up with the developed countries, then we will not have suffered in vain all that we have to suffer.

[Announcer] Dear listeners, you have been listening to Prime Minister Gyula Horn.

Paks Reactor Being Reassembled After Fault

LD1511165595 Budapest Kossuth Radio Network in Hungarian 1400 GMT 15 Nov 95

[FBIS Translated Text] The No. 2 block of the Paks Nuclear Power Station had to be shut down because of a 2 by 2 cm piece of noncorrosive steel. The material has already been removed by experts, and they have started to reassemble the reactor. The Paks Nuclear Power Station's block, which had to be shut down for the fault, will again produce electricity as of the beginning of next week.

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Peace Talks Continue; Serbs Reject Unitary Bosnia

AU1611083495 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 15 Nov 95

[FBIS Translated Excerpt] A SRNA correspondent from Dayton has reported that the Dayton negotiations on the resolution to the crisis in the former Bosnia-Herzegovina have entered a critical stage, because the Muslim delegation is opposing the territorial division of the former Yugoslav republic.

According to the scant news that is arriving from the U.S. military base, the Bosnian Muslims are supporting the territorial integrity of the former Bosnia-Herzegovina, in which the Serbs may get some kind of local autonomy over a territory that would be much smaller than what they currently control. The Bosnian Muslims brought to the negotiations a map of the territorial division of Bosnia-Herzegovina, according to which 66 percent of the territory of the former Bosnia would belong to the Muslim-Croat Federation, and the remaining 34 percent to the Serb Republic. Izetbegovic's delegation is demanding Doboj, Srbinje [Foca], Visegrad, and Novi Grad [Bosanski Novi] of the Serb Republic. They are also demanding that Sarajevo be an integral city, connected with Gorazde via a corridor.

According to the same sources, the Serb delegation holds an equally firm position, according to which they will not sign anything falling under minimal Serb national interests in the former Bosnia-Herzegovina, which includes the demand for the corridor to be widened to up to 20 kilometers.

A member of the Serb negotiating team from the Serb Republic stated, in the presence of a European diplomat, that the negotiations will not continue, and the Dayton conference will fail, unless the Muslim side gives up the unrealistic demands aimed at preserving integral Bosnia-Herzegovina. He added that there are realistic chances of the Serb Republic getting access to the sea, and that the Dayton negotiations are at a turning point at the moment.

U.S. Secretary of State Warren Christopher left Dayton for Japan last night, having said that he may return to Wright-Patterson, as in his talks with the heads of delegations at the negotiations on former Bosnia yesterday certain misunderstandings were overcome, but, as the hosts have stated, the differences in the key issues remained.

During over 14 hours of intense rounds of individual talks with heads of delegations last night, Christopher tried to help overcome the differences in some of the key issues in order for the talks to move toward the final stage. State Department spokesman Nicholas Burns explained at a news conference that Christopher's talks, particularly with the Serb and Muslim side, related primarily to territorial issues and the status of Sarajevo. [passage omitted] The difficulties in the final stage of the Dayton talks will not bring the final outcome into question, but will make them continue until the end of this week, possibly even into the next, says THE NEW YORK TIMES.

Official U.S. circles and press commentaries say that it is to be expected that yesterday's visit of U.S. Secretary of State Warren Christopher to Dayton will give new impulse to the negotiations, which several days ago entered the intense stage of final definitions of the most important elements of the peace agreement. [passage omitted]

Swiss television reported this morning that the secretary of state, who arrived in Dayton yesterday in order to speed up the negotiations on the former Bosnia-Herzegovina, did not make any progress. White House spokesman Nicholas Burns confirmed that, in direct talks with representatives of the Serb, Croat, and Muslim side in the talks, Christopher did not manage to coordinate their positions.

According to a high U.S. Administration official, negotiations on territorial demarcation are still under way in Dayton. The greatest problem is found to be the status of Sarajevo, while the negotiations on the acceptance of the U.S.-prepared proposal for the constitution of the former Bosnia-Herzegovina [as heard] are coming to an end.

Zubak Letter To Holbrooke Criticizes Dayton Talks

LD1511175495 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 15 Nov 95

[FBIS Translated Text] Kresimir Zubak, president of the presidential council of the Croat Republic of Herzeg-Bosnia and president of the Bosnia-Herzegovina Federation, has sent a letter to the convener of the Dayton peace talks, [U.S. Assistant Secretary of State] Richard Holbrooke, which says:

Respected Sir: As a participant in the current peace talks in Dayton, and as an active participant in the earlier efforts to achieve peace in Bosnia-Herzegovina, including the signing of the Washington Agreements, I feel free to tell you, as the main organizer of the overall U.S. peace initiative, of my personal dissatisfaction with the recent course of the negotiations in Dayton.

Carrying out my duties as president of the newly-established Bosnia-Herzegovina Federation, and as one of the constituent peoples of Bosnia-Herzegovina and of the Croat nation, I not only hoped for but firmly believed

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in the possibility of achieving a just peace for all people and nations in Bosnia-Herzegovina. In addition to this, I expected that, owing to my aforementioned position I would be more actively involved in the elaboration of the final document, especially regarding the maps.

This did not happen, especially regarding the maps, which, as you know, will have a decisive impact on the fate and future of hundreds of thousands of people who are historically linked to certain areas. Generally speaking, I have been informed via intermediaries, superficially and without having had any direct role in the elaboration of the latest, and probably final, version of this document.

When I had the opportunity of seeing this proposal I was able to conclude that it did not satisfy even the most basic criteria of a just peace.

This is directly at odds with the interests of the Croats in Bosnia-Herzegovina, who have, in a combination of various interests, become to a certain degree victims of these peace negotiations. This is demonstrated, among other things, by the fate of Bosanska Posavina, an area which is historically Croat and where Croats are in the majority. This area has now been left outside the Bosnia-Herzegovina Federation. This version of the map has not even [word indistinct] the Contact Group's suggestion, which has been verified by all its member countries.

I also note that the Croatian side in Bosnia-Herzegovina has proposed territorial swaps — swapping what is now under HVO [Croatian Defense Council] control but was populated by a majority Serb population in the past for the area of Bosanska Posavina, where the Croats are the majority population. Esteemed Mr. Holbrooke, having examined the historic significance of these documents while feeling responsibility toward history and toward the interests and expectations of the Croats in Bosnia-Herzegovina, I want to tell you in this way that I am not willing to be a signatory to the documents that are being drawn up and include such solutions.

At the same time I express a hope that by acting in this way I will not undermine the significance and achievements of the overall peace activities and your personal contribution to the efforts to secure a peace in Bosnia-Herzegovina.

Kresimir Zubak, president of the Presidential Council of the Croat Republic of Herzeg-Bosnia and president of the Bosnia-Herzegovina Federation, writes this in his letter sent to the head of the peace negotiations in Dayton, Richard Holbrooke.

Hague Indictments' Aim To 'Soften Up' Croats

AU1511160395 Zagreb VECERNJI LIST in Serbo-Croatian 15 Nov 95 p 8

[Report by J. Pavkovic: "Indictment for Softening Up"]

[FBIS Translated Text] Mostar — Two bits of news disturbed the Croats in Herzeg-Bosnia two days ago. The first one arrived from The Hague, saying that the International War Crimes Tribunal indicted six Croats. Only some 10 hours later we learned that the Croat negotiators from Bosnia-Herzegovina had threatened that they would walk out of the talks unless an acceptable agreement was reached for the Croats in Bosnia-Herzegovina, particularly in connection with the Bosnian Posavina. According to the comments in Herzeg-Bosnia, these two bits of news from two different parts of the world have one aim. It is obvious that the indictments were issued at the exact time when the need arose to soften up the Croat negotiators and force them to make certain concessions.

Many people are inclined to think that the Croats are being pressured to hand over the Croat Posavina to the Serb side. If one can judge by what we have learned from well-informed sources at the Dayton talks, the Croats would not agree to something like that. When it comes to certain issues, concessions cannot be made, even at the price of pressure much greater than that from The Hague. The Croats are wondering how long such pressure will be exerted on their leadership.

Has not once before similar pressure been exerted for the removal of Mate Boban, chairman of the same Croatian Democratic Community, who was described as being "hardlined?" Would it not be too much to remove the two chairmen of the strongest and only [as published] Croat party in Bosnia-Herzegovina? The Croats from Herzeg-Bosnia have two more reasons to be bitter about The Hague indictments. First because this is a way of creating a parallel — now that Karadzic and Mladic from the political and military leadership of the Serbs have been indicted, there is a need to find guilt at the same level on the Croat side.

Therefore, the court has (un)intentionally equalized the aggressor and the victim as a probable concession to the Serb side. The dissatisfaction of the Croats is all the greater as the people of Bosnia see Kordic and Blaskic as heroes who defended the Croat territory from fierce Muslim attacks. Many Muslims committed terrible crimes on that front (Buhine Kuce, Krizancevo Selo, and so on).

Unless indictments are issued against those criminals, The Hague Court will be treated in Herzeg-Bosnia more as a political rather than a judicial institution. It is a

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small consolation that the same court will indict Naser Oric, one of the Bosnia-Herzegovina Army commanders from the Srebrenica area. The Bosnian Croats are not rejoicing in that, unlike some Muslim media that went euphoric upon learning about the indictments against the six Croats.

Is it the right time for this, particularly as it is the partner that is in question here, the partner that (as we have learned from Dayton) has continued today in Dayton to fight a difficult negotiating war over the maps? The Croats and the Muslims will be one entity out of the two making up Bosnia. Every individual victory will be a joint success of that entity (federation). Every accusation (with a political background) against either of the partners will be a joint defeat, which will only serve to strengthen the Serb negotiating team.

Krajina Radio: Talks at 'Most Critical' Stage

AU1511181795 (Clandestine) Krajina Radio in Serbo-Croatian 1100 GMT 15 Nov 95

[FBIS Translated Text] The fourteenth day of the Dayton talks begins the final as well as the most critical stage of negotiations. Yesterday in Dayton, U.S. State Secretary Warren Christopher held a series of consultations with the heads of the delegations that are taking part in the talks on the future of former Bosnia. As State Department Spokesman Nicholas Burns explained at the first out of three scheduled news conferences at the Wright Patterson Air Force base, the talks have entered the critical stage, and the negotiators must decide on crucial issues: territorial questions, the status of Sarajevo, the constitutional principles, and elections. Christopher basically asked the delegations, including international mediators, to evaluate what has been achieved at the talks so far in order to see how much progress has been made. Another two rounds of talks with the participants were scheduled. At any rate, the delegations will soon have to make fundamental decisions. Generally speaking, territories are still the biggest problem, although it is believed that the negotiators will have to work out an agreement primarily for the sake of their own interests.

Banja Luka Radio: Talks 'Entering Final Stage'

AU1511182595 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 14 Nov 95

[FBIS Translated Excerpt] The Serb delegation is under great pressure, but the Serb Republic cannot and will not accept anything below the minimum of its national interests, a high official in the Serb Republic delegation said. SRNA Correspondent Dobrana Radakovic has a report from Ohio:

[Radakovic] The Dayton talks are entering their final stage as far as the former Bosnia is concerned. It will be divided into two almost equal entities. We have learned from sources close to the delegation of the Serb Republic that the most difficult issues are those related to territory. They include the status of Sarajevo and Gorazde, as well as the corridor.

The status of Sarajevo remains the most difficult one. REUTER has reported anonymous statements of officials from Dayton who said that the Serb corridor at Brcko may be widened to up to 20 km. The same sources said that the Muslim corridor for Gorazde is also no longer a problem.

The U.S. press says that the problem of the Serb leaders accused of war crimes has been overcome, as President Milosevic has promised the U.S. officials that he will replace them when peace is achieved.

We have learned from reliable sources that a high official of the delegation of the Serb Republic confirmed that the territorial issue is the most difficult, and that the Serb delegation is under great pressure. The same official added that, regardless of all the pressures, the Serb Republic cannot accept anything that is below the minimum of its national interests, and that those who hope that the Serbs have come to Dayton to sell the Serb Republic are wrong. [passage omitted]

[Correspondent Borislav Lalic from New York] [passage omitted] Official U.S. circles have been saying for several days now that the peace agreement will soon be signed in Dayton, and that it is only a matter of days before the issue of peace for Bosnia is resolved. Parallel to that, the issue of suspension of sanctions against the FRY will also certainly be resolved, of which there have been some indications.

The Ohio talks began 13 days ago and are now in their final stage. After the resolution of some [word indistinct] problems, first a new agreement on the Muslim-Croat federation and then the agreement on the peaceful resolution to the issue of eastern Slavonia, what is left on the table are the proposals for the essential peace documents on the resolution of the Bosnian drama. As the diplomatic circles here point out, and there are such indications in today's U.S. reports from Dayton, too, most of the peace documents have started to assume their final shape.

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SDA Supports Dayton Accord on Return of Refugees

AU1511160495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 15 Nov 95

[FBIS Translated Text] In its statement for the public, the Party of Democratic Action [SDA] stresses that the Executive Committee of this party supports fully the agreement [word indistinct] the Federation of Bosnia-Herzegovina signed in Dayton a few days ago.

The party's Executive Committee has issued relevant instructions to the SDA cantonal and municipal committees regarding the fastest and the most efficient implementation of the agreement.

Special support has been extended to the parts of the agreement that refer to the return of refugees and expelled persons to their homes. The SDA expresses readiness to implement consistently what has been agreed. This is confirmed by the information on the increasing number of Croats who are returning to their homes in Bugojno and Travnik.

[Word indistinct] the Croat side will also make the necessary steps for the soonest and safest possible return of the Bosniaks in Stolac and Jajce. The successful realization of these activities will create the preconditions for the return of all displaced persons to their homes, which the SDA is unreservedly striving for.

SDP Supports Indivisibility of Mostar, Sarajevo

AU1511181595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 15 Nov 95

[Report by Zinedia Adilovic on news conference by the SDP in Sarajevo on 15 November — recorded]

[FBIS Translated Text] The conditions that the Social Democratic Party [SDP] of Bosnia-Herzegovina are demanding from our negotiating team in Dayton are minimal and entail indivisibility, territorial integrity, and the sovereignty of Bosnia-Herzegovina. The biggest question of the Dayton agreement is to what extent and how much it will form the framework for the creation of the future federal state, and to what extent it will serve as a means of dismantling Bosnia-Herzegovina.

According to party Vice President Gradimir Gojer, the Republic of Bosnia-Herzegovina is what carries on the continuity of Bosnia-Herzegovina's statehood. The federation is a transitional form — that is, an interstate formation for the accomplishment of Bosnia-Herzegovina's indivisibility.

The question of Sarajevo's future position is the most complex issue; however, its resolution is being postponed ad infinitum.

The battle for Sarajevo that is being fought in Dayton today is the battle for a sovereign Bosnia-Herzegovina and for the opportunity to continue life in a civilized manner. The residents of Sarajevo, whatever the possible district, must not allow the likes of Karadzic, Koljevic, and other criminals to walk the streets of this town. Sarajevo must belong to the residents of Sarajevo. Those who destroyed it cannot take part in its management.

As a party, we have always advocated that the Serbian people participate in the state authoritative bodies; however, with criminals on the streets, Sarajevo will never be Sarajevo, Gojer emphasized.

The SDP insists on the following principles:

Sarajevo can only be organized as a unified, open, and indivisible town.

Sarajevo must remain the capital of the Federation of Bosnia-Herzegovina. It is not only the capital and the administrative, economic, and cultural center, but also the symbol of the Republic of Bosnia-Herzegovina.

The ghost of municipalities is stalking Mostar. Does the even number of six municipalities imply an ethnic principle for the further division of the town? Mostar must remain unified, as a town unit. The strengthening of municipalities creates little statelets — that is, a parastate system which, if it comes to life, will divide Mostar into two parts. If the town is divided along the Neretva or Rondo, then it is no longer a town.

Hailing all the positive moves that have been made at the Dayton talks, the party is raising issues for which solutions can only be found in an open dialogue in which multiparty delegations will participate. The organization of the so-called separate ministries in the federation means that we will be creating the most expensive country in the world. Who will finance a double state structure — the federal and the republican one — and what does the holding of alternating sessions in Mostar and Sarajevo mean? Does this minimize the role of Sarajevo as the capital of the Federation of Bosnia-Herzegovina?

If the Dayton agreement is a true framework for the future federation, then the SDP supports it. However, if it is merely a step toward disintegration, then we cannot support this agreement, Gojer emphasized at the news conference today.

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Commentary Views U.S. Pressure on Serbs at Talks

AU1511142295 Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 8 Nov 95 p 2

[Commentary by Dejan Gutalj: "This Is Also the United States"]

[FBIS Translated Text] Before the eyes of the sleepy Russia, the new boss is leading the rest of the world — regardless of whether the rest of the world likes it or not — into the "democratic future" of its own interests, not allowing its victims to make democratic decisions, not even in the sense of their last wish. Wandering with its fleet and its aircraft carriers around various seas and oceans, the United States of America has — after having introduced "democracy," accompanied by an invasion, in Panama, Grenada, Haiti, and Somalia, and after having punished Iraq and the "disobedient" Serbs from the air — decided to sew up the broken tissue of the former Yugoslavia.

With the previously signed paper on constitutional principles, with the partition of Bosnia-Herzegovina into two entities, and with the promise of "an equal treatment of all parties to the conflict" it simply lured the joint Serbian negotiating delegation to Ohio. It has been proven, however, that not everything complies with the agreement. The very beginning of the negotiations in the claustrophobic atmosphere of the carefully protected Wright-Patterson base — where, by the way, the famous "Stealth bombers" were tested — speaks in favor of the fact that — at least according to the information that reaches the public — the host of the conference behaves in compliance with the ambience.

In the introductory ceremony "the most elegant man in the United States," Warren Christopher — this is how he was described by pollsters in an opinion poll taken in the United States last year — repeated, in the style of a wicked witch who had lured the guests to her house, the old U.S. story about an undivided Bosnia, which makes intelligent people shudder and fills the Serbs with fear. "The elegant man" further supports a firm central power in the future Bosnian state, with a large number of functions that this power should control. He wants Sarajevo to be like it used to be during the Olympic Winter Games [in 1984], when — as he says — people of different nationalities lived in peace. Giving Sarajevo the chance to be an undivided city is as realistic as "the resurrection" of the late Branko Mikulic to the position of Olympic Committee chairman.

This is not everything Christopher said in the introductory speech at the Ohio conference. The information was heard — which was also confirmed by the official representative of the State Department — that the U.S. secretary of state made it a condition for the arrival of U.S. troops to Bosnia after a peace agreement was signed that Radovan Karadzic, the president of the "Serbian Republic," and General Ratko Mladic, the commander of the Bosnian Serb army, should resign. It is only natural that the Serbs do not long for U.S. troops to come to Bosnia, even if a peace agreement is signed, and that they do not even think of replacing their president and the commander of the army for that purpose. We hope that the members of the Bosnian Serb negotiating team share this opinion, too.

If such a condition is imposed on the Serbs now, at the beginning of the conference, we have to ask ourselves what will happen when the proposals for the division of the territory are at the table. Or is this pressure perhaps only a bluff? Anyway, the methods used by the host and the mediator very much resemble police methods. Now, after "the first policeman" from the tandem, Mr. Christopher, has threatened the Serbs, he will withdraw and give up his function to Mr. Holbrooke, who will in a softer way try to squeeze out the same "confession" from the Serbs.

The members of the Serbian Republic delegation do not have an easy job. They have been seated away from the main table in the conference hall, and are almost not seen at all by the cameras. Koljevic, Krajisnik, Buha, and others know, however, that this is also a part of the witch's dance around the Serbs, which they have already gotten used to. The present world does not seem to care that Alija Izetbegovic, a member of the former Nazi SS division "Handjar" [name as transliterated], is sitting at the table at which the question of life and death for hundreds of thousands of people is being decided on.

Slobodan Milosevic has — as always — been the first one to rush toward peace. He made an agreement with Franjo Tudjman that all controversial issues in connection with eastern Slavonia be solved in a peaceful way. The mediators say that this is the first important result of the negotiations at Wright-Patterson, although nobody is capable of explaining what practically prevents Tudjman from starting a new war. If this is an important achievement of the talks, we are scared of the less important!

Bosnian UK Envoy Interviewed on Peace Talks

AU1611123595 Zagreb GLOBUS in Serbo-Croatian 10 Nov 95 pp 2-3

["Exclusive" interview with Muhamed Filipovic, ambassador of Bosnia-Herzegovina to the United Kingdom, by Davor Ivankovic, in London; date not given: "The Talks in Dayton Will End With Failure: The Bosnia-

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Herzegovina Army Is Getting Ready To Continue the War Against the Serbs"]

[FBIS Translated Text] Muhamed Filipovic, ambassador of Bosnia- Herzegovina to Britain, is one of the few diplomats from the territory of former Yugoslavia who publicly comments on the peace talks in the U.S. military base in Dayton. Moreover, the experienced Mr. Filipovic questions the legitimacy of the negotiators, even that of the Bosnian president Alija Izetbegovic, claiming that the politicians gathered there cannot agree on peace because they do not represent the constituent nations of Bosnia-Herzegovina. Of course, Filipovic's independent position comes from the fact that he is not a member of Izetbegovic's Party of Democratic Action [SDA] and that, although he is an influential diplomat, he is not obligated by party policy. Therefore it can be said that the forecasts of the well-informed Mr. Filipovic are based on events that are bound to follow the Dayton talks.

[Ivankovic] Mr. Filipovic, you are convinced that the negotiations in Ohio started from a wrong basis. Your main assumption is that the Serbs are being offered too much?

[Filipovic] I said both to our side and the Croatian side that we should not have given way to the pressures and stopped the joint military offensive, and that Banja Luka and the territories of Bosanska Posavina all the way to Brcko should have been liberated. We should have gone to the talks with such results! I knew all the time that Milosevic had no possibility of giving direct military help to the rebel Serbs, I thought that Milosevic had lost all interest in western regions. He believed that in the talks with the Americans and the Contact Group he had realized his primary goals — a homogeneous Serb territory along the border of Serbia and Montenegro. He was no longer interested in defending the Serbs in Knin and Bosanska Krajina, because that is too exposed, vulnerable, provocative for the Croats, and a constant source of destabilization of their position....

Dayton

[Ivankovic] The starting point of the Dayton talks is the no longer realistic proposal that should result in the division of Bosnia-Herzegovina according to the Contact Group principles, namely 51 to 49 percent?

[Filipovic] The idea was the following: If the Serbs control 70 percent of Bosnian territory, and if in the end they should get 49 percent, then they have to give back around 20 percent, which was such a big concession that they had to be rewarded well for it. And we had to pay for that by recognizing the existence of a Serb state on the territory of Bosnia-Herzegovina, and by recognizing its right to form a confederation with Serbia!

[Ivankovic] Who are the Serbs you can negotiate with?

[Filipovic] Their political identity is not known. The international community agrees that Karadzic and the people around him represent a group of delinquents, war criminals. So, they cannot be politically relevant, no agreements can be made with them. They have no international credibility, and nobody believes that they would respect the agreement. We have arrived at an absurd situation — in which the Serbs are represented by Milosevic, and not because the Bosnian Serbs have given him that mandate, but because Karadzic has given it to him. In that case Milosevic appears to be Karadzic's lawyer. This means the initiator of aggression and of crimes represents another notorious criminal.

[Ivankovic] You are against Milosevic representing the Bosnian Serbs in Dayton?

[Filipovic] I have nothing against Milosevic representing them, but the Bosnian Serbs first have to have credibility. This means that the Serbs who are against Karadzic, who respect the Constitution of Bosnia-Herzegovina, must also be taken into account, namely those from the Serb Civic Council [SGV], which represents around 200,000 Serbs. There are, further, the Serbs in emigration who have practically distanced themselves from the aggression, and then the Serbs who are against Karadzic and who are still a part of his creation (the Banja Luka circle of such Serbs), and the fourth are the Serbs who support Karadzic.

That must be insisted on, because then the essence of the political issues of Serbs changes.

[Ivankovic] In that case, those negotiations would be different from the current ones being held in the U.S. military base in Ohio?

[Filipovic] Then the international conference on Bosnia-Herzegovina would deal with the mutual recognition. Milosevic must be forced to recognize Bosnia-Herzegovina and Croatia within their borders. Only through that act can Milosevic prove that he wishes peace and that for the sake of peace he is prepared to remove the main reason for war in this region. If that happens, then it is not necessary for the international community to discuss the internal arrangement of Bosnia-Herzegovina, as they are doing in Dayton. Why should Milosevic or Tudjman decide on the internal arrangement of Bosnia-Herzegovina? The international community could then sponsor a peace conference, but also a conference of the internal political factors of Bosnia-Herzegovina, namely the people whose fate is being decided.

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At such a conference the Serbs would be represented the way they politically are, just like the Croats and Bosniaks. Then the Croatian Democratic Community [HDZ] would have no monopoly over the representation of Croats — there is also the Croat National Council, other Croat parties, like the Croat Peasants' Party [HSS], there is the Church, which must also be respected in solving the fate of the Croats in Bosnia-Herzegovina. The Church is the factor of the survival and existence of Croats in Bosnia-Herzegovina, and not the political structures.

Military Action

[Ivankovic] Who, in your opinion, should represent the Bosniaks?

[Filipovic] Alija Izetbegovic cannot represent all Bosniaks. Bosniaks have other political parties as well, and nobody has a monopoly over them. There arises a question of the credibility and legitimacy of the present political representatives in Bosnia-Herzegovina. It is logical that in a democratic society legitimacy is obtained through elections, and in Bosnian politics today there are few who have been elected. Further, even if those who were obtained their legitimacy through elections, did not obtain it for the policy they conduct now! At the elections in Bosnia-Herzegovina it was the coalition of the three national parties that won, and they promised harmony between the three national corpuses, prosperity, a happy and undivided Bosnia-Herzegovina.

We have to prepare ourselves for a political conference on Bosnia-Herzegovina where the internal political subjects with credibility will have to face each other and find a solution.

[Ivankovic] The action in western Bosnia resulted in negotiations, but it also had to be stopped because of them.

[Filipovic] The military action expedited the decision of the United States to become engaged. There are two important moments here — there was the possibility for the Bosniak-Croat coalition to defeat the Bosnian Serbs, which would have suited neither the Americans nor their western partners. Because they believe that that would disturb and endanger their plans with the Russians.

Another reason for such a conference and the stopping of the liberating military action is based on the conclusion that, if we solved the problem ourselves, it would become obvious how hollow, meaningless, and ineffective, and, after all, unjust the action of the international community in this region has been.

[Ivankovic] The Americans examined the terrain for a long time, and they obviously contacted Milosevic?

[Filipovic] I thought straight away that that was wrong. With such frequent contacts with Milosevic they enabled him to "raise his price." When I talked to Milosevic in April this year I came to the conclusion that he was ripe for limiting his goals, that he was giving up his premeditated goals on this territory, and that, in that context, that could be achieved through giving smaller concessions to the Serbs. Regarding sanctions, I estimated that it was possible to get the recognition of Bosnia-Herzegovina and Croatia.

Enormous Pressure

[Ivankovic] Regarding the territorial games that you are talking about, what is the function of the Ohio talks?

[Filipovic] They are to continue where the Geneva talks stopped, with the help of a great force. I know that all relevant Bosnian politicians are convinced that what Holbrooke is offering is unjust, that, practically, that means doing favors to the Serbs. Therefore, the acceptance of these negotiations is exclusively the result of enormous pressure, great force, concrete threats.

[Ivankovic] Which threats are those?

[Filipovic] We have already heard many of those threats. We are threatened with the use of force and the suspension of humanitarian aid. Personally I believe that they invoked force a great deal, and that in Geneva Holbrooke forced us to accept the principles that are now used as the starting points in Ohio, including those two principles — the so-called Serb entity, and that entity's ties with Serbia — which for us is absolutely unacceptable, and announces the division of Bosnia-Herzegovina according to the 51:49 percent principle.

I see Holbrooke as a diplomatic bulldozer of devastating force.

[Ivankovic] What did the Americans start the negotiators in Ohio with?

[Filipovic] They requested that the negotiators agree on the creation of a constitution of Bosnia-Herzegovina, which will maintain its international legal identity, but which will not give it some important functions in relation to its constituent parts, the federation and the Serb entity in Bosnia-Herzegovina. That means that the focus of the political, state and any other power will be on these constituent parts of Bosnia-Herzegovina. The Americans came out with the promise that, if that is accepted, they will strongly support the economic reconstruction of the territory, and that, through the presence of their military forces, they will guarantee the implementation of the agreement, without any major obstructions from any of the sides. For any agreement, if there comes to one at all and if it is legitimate, the

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essential thing is that there are no obstructions from any side.

[Ivankovic] What if exactly that happens in Ohio?

[Filipovic] I assess that for the implementation of that agreement 200,000 NATO soldiers would be needed. I know Bosnia and the mentality of Serbs — those people are plunderers, people prone to killing by ambush, to the destruction of any element of civilized life. That is a huge tide of barbarism, they even killed the Serbs who, living with Bosniaks and Croats, were too civilized to join them! Nothing can be achieved without a strong internal-political moral force.

U.S. Proposals

[Ivankovic] However, the talks in Dayton are trying to achieve a detailed agreement which, according to you, is based on wrong assumptions. What else will be negotiated in this phase of talks?

[Filipovic] The crucial question is who will control the borders. In Ohio, the attitude of the United States is that it should be international forces. Personally I do not think that to be good; I believe that international forces can control the borders to Serbia but that the entire border can be controlled by domestic forces, i.e. the central government, its border troops. Further, who will have control over the judicial and police apparatus? The Americans have not proposed anything that could satisfy us: They suggest that the police should be local, and that the central police should, for example, deal with cooperation with Interpol, and the like. That does not suit us, having in mind that the main question will be — who can guarantee equal rights to the citizens on the entire territory? That can only be done by the institutions of the central state, if there are any, and if there are none — then there is no central state.

[Ivankovic] According to what you know, what is acceptable for the Croat and Bosniak side from the U.S. proposals?

[Filipovic] For us it is acceptable that Bosnia-Herzegovina be the only international legal subject. Further, that no constituent part of that state have international legal subjectivity or make international legal agreements with other states, and that this be exclusively the competence of the state of Bosnia-Herzegovina. What suits us further are the unique monetary policy and money, a unique system of communications, control of borders, judicial and police authorities on the entire territory, and control of the central government over the enforcement of law, particularly concerning human rights.

[Ivankovic] What was the President Tudjman's position in Ohio?

[Filipovic] His basic request was that the issue of eastern Slavonia should be solved at the same time as the Bosnian problem, which we consider to be justified, because that confirms the position of integrity of territory, and if any of the hot spots were left out, that would cause instability. The agreed alliance of Croatia and Bosnia-Herzegovina functions here: We support the legitimate Croatian requests, and, reciprocally, the Croatian side supports ours. As for the situation in Bosnia-Herzegovina, Tudjman stressed the importance of the functioning of the federation. He believes the functioning of the federation to be more important than the functioning of Bosnia-Herzegovina.

[Ivankovic] Is the question of Bosanska Posavina being posed?

[Filipovic] Yes. The plan anticipates that the territories in Bosanska Posavina, in which the Croats are a majority, should be under Serb control. These are the towns of Orasje, Brcko, [Bosanski] Samac, Odzak, Derventa, and Bosanski Brod. In all these places, together with Bosniaks, Croats represent a majority. At the assemblies of Posavina and of Bosnian Croats, those people expressed their wish to be in the federation, in Bosnia-Herzegovina, and that they do not agree with the exchange of territories! The issues of territorial demarcations are still to be discussed in Ohio, so that I still do not know what the position of the Croatian side will be when it comes to that, but I believe that for Croatian policy at the moment it would be a big luxury to give up Bosanska Posavina!

Eastern Slavonia

[Ivankovic] Do you believe that the Croatian readiness to cooperate in Dayton is connected with the "antique" promises on the peaceful integration of eastern Slavonia?

[Filipovic] I do not think so. If Tudjman were cooperative, for example in relation to the Americans, if he approved of certain Serb pretensions, that would negatively influence the basic goals of the Croatian side. It turned out that there can be no agreement with Serbs concerning that. I believe that Croatia has realized that. [Words indistinct] from the highest positions in the Croatian politics it has been pointed out that this Christmas will be celebrated in the liberated Vukovar, and those are no empty promises!

[Ivankovic] However, in the West there are still some assessments that Milosevic could intervene in eastern Slavonia?

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[Filipovic] I am sure that if he did that Milosevic would risk too much. He would instantly reopen the Bosnian war. He has no possibility of fighting on both fronts at the same time. Therefore, his potential is very small. From the outside, Croatian policy often look confused and irrational, it oscillates, but in the end it always reaches rational solutions, once it faces reality. For example, in a discussion in Geneva there were on the Bosnian side Alija Izetbegovic, Haris Silajdzic and myself, and on the Croatian side Franjo Tudjman and Mate Granic. President Tudjman told us that we had to understand that at the beginning of the war he could not fight against the Serbs. In fact, the context of the conversion was that at one moment he had made an agreement with the Serbs. I answered that at that moment he really could not have fought against the Serbs alone. But, with us, he could not only fight against them, but even win. The involvement of Bosnia-Herzegovina in the war only gave Croatia the opportunity to defeat the Serb aggressor together with Bosnia-Herzegovina, and thus eliminate all the problems that we still have to go through before peace is reached.

[Ivankovic] When will the talks on the territorial issues in Bosnia-Herzegovina start?

[Filipovic] We have always insisted on the fact that for Croatia the most important thing was to reduce their border with Serbia, and that that border should by all means be on the Drina River! In the Croatian parliament in 1991 I said that the territory of Bosnia-Herzegovina, which geopolitically deeply enters Croatia, is of vital interest for it.

And the most important thing for Croatia is that the territories of Banja Luka and Posavina not remain under Serb control. The territory stretching from Banja Luka to Brcko is of essential significance for the Croats, and it is often not clear to us why the Croats hesitated so much there, when we should have been more present militarily on that territory, and cut the corridor!?

Ganic, NATO Delegation Discuss Troop Deployment

AU1511204495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 15 Nov 95

[Report by Senada Cumurovic — recorded]

[FBIS Translated Text] [Cumurovic] The deployment of NATO troops in Bosnia-Herzegovina will be an important segment of the realization of the peace agreement — if it is signed in Dayton. Where, how, to what extent, and also with what precise goal — these are the questions to which answers are being sought parallel to the political talks. For that reason, a NATO delegation headed by U.S. General Michael Walker arrived in Sarajevo today. Soldiers — U.S. and Bosnian — did not want to give statements, but Dr. Ejup Ganic [vice president of the Bosnia-Herzegovina Federation] assessed the talks as a step forward:

[Ganic] This was an exchange of opinions about the arrival of the Rapid Reaction Force, a preliminary plan. Naturally, we repeated our stance that those who wish to help Bosnia must observe Bosnia as a closed system from a military point of view, in other words, the [word indistinct] border of our country must be under control. Naturally, we also discussed the deployment, the freedom of moment, and everything connected to it.

[Cumurovic] Slobodan Bozic, representative of the state committee of the self-styled Herzeg-Bosnia for liaison with the United Nations, also briefly commented on today's meeting with the NATO military delegation in the Presidency building:

[Bozic] I believe that today we got a clear picture of the NATO mandate in this area and of our obligations in the preparation for their arrival to this region.

[Cumurovic] As for the deployment of these troops, which is also a very important issue, Mr. Bozic says:

[Bozic] They will be deployed in roughly three localities in Bosnia-Herzegovina. Our joint stance and goal is that they be deployed throughout the Bosnia-Herzegovina territory and not only in between [word indistinct].

'Criminal' Karadzic Finds 'Refuge' in Han Pijesak

AU1611111395 Zagreb VECERNJI LIST in Serbo-Croatian 16 Nov 95 p 32

[Report by A. Kaurin: "Karadzic's Pipe Dream"]

[FBIS Translated Excerpt] The criminal Radovan Karadzic has now found safe refuge in the underground town of Han Pijesak. He has isolated himself from everyone, and only people who have his utmost confidence have access to him, and even they have this only with special permission from Vlastimir Kusmuk, chief of Karadzic's personal security forces.

Over 2,000 members of the Serb special forces are deployed around Karadzic's stronghold in Han Pijesak, armed with the state-of-the-art small arms, tanks, armored personnel carriers, and long-range artillery. [passage omitted]

Government Session Discusses Returning Refugees

AU1511211395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 15 Nov 95

[Report by Mladen Bosnjak on a Bosnia-Herzegovina Government session chaired by Faruk Smajlbegovic,

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minister of industry and energy, in Sarajevo on 15 November — recorded]

[FBIS Translated Excerpt] [Bosnjak] At this session, as well as some of the earlier sessions, the key issues concerned the activities stemming from the agreements signed in Dayton.

The Foreign Ministry drafted a list of proposed activities to implement the agreement that gives life to the Federation of Bosnia-Herzegovina, which in a clear way specifies obligations and deadlines. It was concluded during a not very long debate that during tomorrow the ministers and their ministries should work out the concrete details of the obligations bestowed on them, so that this document on activities could grow into the government's operative plan.

Deputy Finance Minister Izudin Kesetovic announced that the first transaction within the established unified federal payment operations system would take place in two days' time, on 17 November.

Regarding the realization of the agreement on the return of refugees and displaced persons to Jajce, Bugojno, Stolac and Travnik Municipalities, the minister in charge of these matters, Muhamed Cero, was not able to enter Stolac today, and the local Croat authorities have still not given consent for the settlement of the Bosniaks in Jajce, Assistant Refugee Minister Haris Basic said, and added:

[Basic] Regarding the realization of the agreement on the return of Bosniaks to Jajce, Bugojno, and partially of the citizens of Croat ethnicity to Travnik, I must say the following:

We obtained all the lists of potential returnees, the Bosniaks and the Croats, to these towns. The ministry has registered them. We also obtained lists of housing units of the Bosniak people in Jajce as well of the housing units of the citizens of Croat ethnicity in Travnik and Bugojno. In this sense, what I must single out as significant is that not a single Bosniak has returned to Jajce yet, while, in Bugojno, everything is ready for the return of 78 families of citizens of Croat ethnicity and, in this sense, the temporary users of the housing units belonging to the residents of Croat ethnicity have already been reallocated out of Bugojno. As for Travnik, we must say that 83 decrees on the settlement of the citizens of Croat ethnicity have been issued so far, primarily from Paklarevo and Solcarevo Municipalities. What is important at present is that 33 decrees on the restitution of real estate were issued, so that these 83 citizens of Croat ethnicity could return to their homes.

In the coming period, we will have to compile a direct plan with the representatives of the Croat entity regulating the manner of movement into the houses of the Bosniaks and the Croats in the nearby towns. We must emphasize that we have (?forwarded) all lists to Mr. Raguz in Mostar and that, so far, we have not obtained return information [words indistinct] and when the citizens of Croat ethnicity will return to Bugojno and Travnik.

Regarding the lists of the Bosniaks from Zenica and Travnik for Jajce, they have been completed. The same applies for the Bosniaks from Mostar who would like to go from Travnik and Zenica to Stolac. [passage omitted]

Return of Refugees to Bosnian Krajina Under Way

AU1511175095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 15 Nov 95

[Report by Sedzad Karahodzic, from "Radio Voice of Free Bosniak Krajina" — recorded]

[FBIS Translated Excerpt] Life is returning to the free territories of the Bosnian Krajina. According to the most up-to-date information presented at the expanded session of the district [word indistinct], nearly 3,000 people have returned to the territory of Sanski Most Municipality, and about 3,500 people to the territory of Kljuc Municipality. A somewhat smaller number of former expellees also returned to their homes in Bosanski Petrovac. The fact that the number of returnees who are returning to their homes is growing daily is encouraging. According to some estimates, more than 19,000 Krajina residents will find a roof over their heads by the middle of this month. Currently, the majority of the returnees are naturally from Kljuc and Sanski Most, as well as from Bosanski Petrovac. However, approximately 2,400 Banja Luka residents have also found shelter in the newly liberated territories, while some 10,000 expellees in the Republic of Croatia are waiting for transit visas and their return to the Bosnian Krajina.

Several hundred expellees from Bosanski Novi, Bosanska Gradiska, Prnjavor, Prijedor, Kotor Varos, Skender Vakuf, and other towns in the Bosnian Krajina temporarily occupied by the aggressor have also found their piece of free sky and a roof over their heads. The number of Krajina residents abroad who are announcing their return to the home towns is not negligible, either. Quite a few of them have already visited their homes and confirmed their arrival.

The truth is that the above session of the Banja Luka district assessed that this process was running somewhat slower than anticipated and that it should be accelerated.

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There are still plenty of free places for all who are interested. The living conditions are improving with each day. True enough, only priority consumers are receiving electricity, but great efforts are being made to resolve this problem. [passage omitted]

Minister, German Envoy Discuss Refugees' Return

AU1411211095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 14 Nov 95

[FBIS Translated Text] Minister for Refugees and Social Policy Muharem Cero, Ministry Secretary Mirsad Milavic, and Haris Vlasic, assistant to the minister, today received (Michael Reifenstuhl), deputy to the German ambassador in Bosnia-Herzegovina, and [name indistinct], head of the UN High Commissioner for Refugees office in Bosnia-Herzegovina.

Talks focused on the realization of the Dayton pilot project on the return of refugees to the municipalities of Bugojno, Jajce, Travnik, and Stolac. After summing up what has been achieved so far, and after presenting lists with the names of people who have expressed a wish to return to the areas in question, the talks moved on to the issue of safety. Minister Cero stressed that those returning had to have maximum safety on the ground, and presented the ministry's proposal reached in cooperation with the Interior Ministry. The proposal pertains to establishing the federal police [words indistinct] in these municipalities, which will certainly contribute to a higher degree of safety.

All of the participants in the meeting agreed that the issue of safety had to be dealt with in a satisfactory way, and that they expected the Dayton negotiations to reiterate the principle of safety in the return process. It was said that since 8 November to the present, 35 Croatian families had returned to the Bugojno Municipality, that Travnik Municipality was carrying out hurried preparations for return, and that the Ministry for Refugees and Social Policy would do everything to see that Croats return to the Travnik and Bugojno Municipalities with the hope that this will be reciprocated in the Jajce and Stolac Municipalities.

An invitation was issued to the embassies of countries, members of the Friends of the Federation, the United States, Germany, Turkey, and the UNHCR to help with the implementation of the Dayton [words indistinct].

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U.S. Presses Croatia to Cooperate With Tribunal

LD1511184795 Belgrade TANJUG in English 1750 GMT 15 Nov 95

[FBIS Transcribed Text] Belgrade, Nov 14 (TANJUG)—The United States pressed Croatia on Wednesday to cooperate with the international tribunal for war crimes committed on the territory of the former Yugoslavia.

Agence France Press (AFP) reported from Zagreb that the U.S. has underscored that the Croatia's position on the issue could 'influence' its relations with official Washington.

The U.S. remark came after Croatian President Franjo Tudjman on Tuesday named General Tihomir Blaskic, chief of staff of the Croatian Defense Council in Bosnia (BiH), as inspector in the Croatian Army General Inspectorate, one day after his indictment by the International Criminal Tribunal in The Hague.

'The only appointment Mr Blaskic can legally have now is with the International War Crimes Tribunal in The Hague,' Peter Galbraith, U.S. ambassador to Croatia, said.

Galbraith also told reporters on Wednesday that if Blaskic is physically present, Croatia has a clear legal obligation to hand him over to the tribunal, and added that he was 'surprised' by his appointment to a new position.

The U.S. has repeatedly said that cooperation with The Hague tribunal is one of the elements which will influence our relations with states in the former Yugoslavia, Galbraith said and concluded that the Croatia has said it will cooperate with the tribunal and that the U.S. will wait and see what it will do.

Besides Blaskic, The Hague tribunal for crimes committed over Muslims also issued indictments against the vice-president of the Croatian community of Herzeg Bosnia (HDZ) Dario Kordic, and lower-ranking civilian and military officials Mario Cerkez, Ivan Santis, Pero Skopljak and Zlatko Alekovski indicted for ethnic cleansing of Muslim in Central Bosnia from May 1992 to May 1993.

HDZ is the ruling party in Croatia, headed by Tudjman.

Croats and Muslims in BiH, after a short alliance at the beginning of the war in that former Yugoslav Republic, fought bloody battles for territory. Since the beginning of the war, the regular croatian Army has also been fighting on the side of the HVO.

Croats and Muslims in BiH formed in March 1994, under U.S. pressure, a federation which does not function in practice.

An agreement was signed on Friday at the peace talks on BiH in Dayton, a city on the U.S. state of Ohio, on the strengthening of the bi-national federation. The ceremony was attended by Tudjman and U.S. Secretary of State Warren Chirstopher.

Hague Tribunal on Blaskic Case

AU1511172495 Paris AFP in English 1641 GMT 15 Nov 95

[FBIS Transcribed Text] The Hague, Nov 15 (AFP)—Zagreb's promotion of a suspected Bosnian Croat war criminal to a senior position in the Croatian Army does not change his status but will make his arrest easier, a spokesman for the UN war crimes tribunal said here Wednesday.

Christian Chartier said the promotion of Bosnian Croat General Tihomir Blaskic to the Croatian Army's General Inspectorate Tuesday "changes neither his position as a suspect, nor the position of the tribunal."

His promotion "does not rule out his arrest" and in fact "his arrest will only be all the easier," Chartier added.

U.S. ambassador to Zagreb Peter Galbraith Wednesday called for Croatia to hand over the 35-year-old general who was indicted Monday by the UN tribunal along with five other Bosnian Croats, including Dario Kordic, the leader of the Croat community in Bosnia.

The six were accused by the tribunal of organising the massacre of some 100 Moslem civilians in the central Bosnian village of Ahmici on April 18, 1993, at a time when the region was controlled by Bosnian Croat forces under General Blaskic.

Galbraith in Zagreb warned that any refusal to hand over the suspect to the UN court could seriously affect previously close U.S.-Croatian relations.

Chartier meanwhile attempted to downplay reports that tribunal's chief prosecutor, Richard Goldstone, would resign if Bosnian Serb leaders Radovan Karadzic and General Ratko Mladic were allowed to remain in power in any deal worked out at Yugoslav peace talks being held at Dayton, Ohio.

Chartier said reports that Goldstone had said he had would definitely resign if there were such a deal were not quite accurate.

He "expressly avoided using any such words" as resign, Chartier said, and simply said that if such a deal

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were made he would have to consider his position, the spokesman added.

However, Chartier continued, if there was a deal that gave an amnesty to the two main Bosnian Serb leaders: "It would be enough for everyone at the tribunal, to ask whether all our efforts...had been worth it."

Agreement on Slavonia Seen as Good Compromise

AU1511162795 Zagreb VECERNJI LIST in Serbo-Croatian 14 Nov 95 p 4

[Commentary by Nenad Ivankovic: "A Good Compromise"]

[FBIS Translated Text] The agreement on the peaceful reintegration of Baranja, eastern Slavonia, and western Srem, which was signed on Sunday, 12 November 1995, is a compromise. By definition, this means that it is not ideal. Seen from the perspective of significant Croatian national interests, however, this compromise is not a bad but a good one!

The main achievement of the compromise lies in the fact that it is practically a statement on the bankruptcy of every idea about the creation of a Greater Serbia on Croatian territory. By accepting the agreement, the Serbs have, doubtlessly, although with clenched teeth, accepted the inevitability of the return and the full sovereignty of Zagreb [in eastern Slavonia].

In return, the Serbs got a decent period of time for the political and psychological preparation for life under new circumstances as well as guarantees that they can stay where they are and that they will have all human and minority rights. There are, as is the case with every compromise reached in such a difficult way, several unclear or imprecise elements that could cause concern and dilemmas, first of all among Croatian refugees and in the Croatian population.

Although there is no doubt that the whole process involved in the agreement is aimed at the full reintegration of these areas into the constitutional and legal system of Croatia and that the Serbs there will have not have a state within the Croatian state, or an autonomy that would aim at achieving one, it could still come to blockades and halts—like the Croatian experiences with the failed implementation of the Vance plan—during the implementation of the agreement, because numerous details are still open.

In other words: Will the United Nations Security Council be efficient and pass a resolution that will be precise and energetic enough to start changing things in eastern Slavonia in the spirit of the signed agreement? Will the Serbian paramilitary units be completely disarmed, and will international forces be willing and able to grant full safety to Croatian refugees when they start returning home? Will there be someone to solve the problems that will certainly arise once Croatian or Hungarian refugees come to the houses in which Serbs now live and who will that be? Who will move the Serbs out of these houses and in what period of time?

I consider the compromise that has been reached to be a good one. Croatia has lost too many lives and suffered too great a devastation to prefer—let me put it crudely—"purely a war option" to this agreement.

Secondly, it is very important for the Croatian international political reputation that Zagreb has shown that it is ready to accept a peaceful solution if it guarantees the same thing that could be achieved more quickly through a war. By accepting the agreement, Croatia has left the door open for international financial and other help for the reconstruction of its destroyed regions, which will mostly help the refugees, that is, the people will return to Baranja, eastern Slavonia, and western Srem as well as to other liberated regions.

Furthermore, Croatian politics has never wreaked revenge on the Serbian minority, despite the war that was imposed on it and despite the cruel crimes chetniks committed on its population; on the contrary, it has always regarded the Serbian minority as the bridge toward the normalization of relations with Serbia. The Serbs in Baranja, eastern Slavonia, and western Srem—if they are able to show political and psychological repentance in the sense of the signed agreement—could become such a bridge. And finally, the normalization of relations with Serbia is inevitable if there is a wish to achieve stable peace and welfare in this area. Admittedly, Croatia is today, under the abnormal conditions, capable of defending its borders and citizens in the military sense, but in the long run this exhausts a nation physically and financially. To play the role of a second Israel for a long period of time is really not an attractive option, especially if we cast a glance at the present events and tragedies that shake the Near East.

In the end, Croatia has not given up anything by signing this agreement; it has only given the political solution a chance. Therefore this compromise is, let me put it this way, a direct victory for Croatian diplomacy and an indirect victory for Croatian weapons. However, if it happens that the Serbs or the international community itself do not want to carry out the obligations they have taken on, they will legalize the other option, the one Zagreb is still ready for in case of emergency.

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Zagreb May Pay Reparations

AU1511154995 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 15 Nov 95

[Report by Dragoljub Stankic on interview with Slavko Dokmanovic, chairman of the Council for the Srem-Baranj Region, with THE NEW YORK TIMES and Belgrade Radio in Vukovar on 15 November—recorded]

[FBIS Translated Text] [Stankic] Slavko Dokmanovic, chairman of the Council of the Srem-Baranja Region, said that the goal of the agreement was to avert war and save the people who live in the area, while Croatia insists on capturing the region. We have put our fate in the international community's hands and we firmly believe that it sincerely wants all problems in the former Yugoslavia to be solved peacefully in the future, Dokmanovic said. We shall cooperate maximally with the United Nations, but we believe that it will punish anyone who breaches the agreement. The agreement is binding for the Croats as well as the Serbs. In response to a question asked by The NEW YORK TIMES journalist, Slavko Dokmanovic answered:

[Dokmanovic] The contract—that is, the agreement that we have signed—is one of the agreements that will be signed in Dayton. The comprehensive agreement that will be signed for all of Croatia will encompass all the provisions of this agreement, but also provisions that Croatia will have to implement in the areas it controls. This means that it will have to allow the return of over 6,000 refugees and expelled persons, pay reparation for property destroyed during ethnic cleansing operations carried out by Croatia, allow people to return to their apartments in Zagreb, Rijeka, and Varazdin, or pay adequate compensation.

Once Croatia fulfills these obligations, the obligations that follow from this agreement, which is an integral part of the comprehensive agreement, will also be implemented.

Commentaries on Bosniak-Croat Federation Agreement

AU1511153595 Zagreb VJESNIK in Serbo-Croatian 14 Nov 95 p 5

[Commentary by Mario Marusic: "Federation—Guarantee of Croats as Constituent People"]

[FBIS Translated Text] Judging from the first reaction to the agreement on implementing the Federation which included an annex on Mostar, Sarajevo seems to be in a great hurry. On the other hand, official Mostar is (still) silent and it is almost impossible to get a statement from Herzeg-Bosnian officials; the first comment on the Dayton agreement is expected to come from its signatorees. Why the hurry and why the time-out? What are the real reasons for these first reactions and how much can be learned from them? That is to say, where do the reasons lie—and it is not too much to say—for the victorious atmosphere in Sarajevo and eastern Mostar, as well as for (the current) silence in western Mostar, which can also be interpreted differently: caution along with the awareness that what has been agreed upon would still have to be implemented, that is, silence without euphoria, albeit backed by approval.

The fact that Sarajevo is in a hurry creates an impression that the Muslim-Bosniak authorities would now like to say that Sarajevo's stands have always been the only correct ones and that all obstacles to the implementation of the federation were coming from the Croatian side alone, all this as if the Dayton agreement were nothing but the implementation of the SDA [Party of Democratic Action] platform.

However, is it really so? According to the Dayton agreement, the Government of the Republic of Bosnia-Herzegovina and the Government of the Federation of Bosnia-Herzegovina must exist separately without interfering in each other's jurisdiction. Their functions are listed in detail, with the republican government's jurisdiction including functions that enable it to operate as a government of an internationally recognized state. It should be recall here that the Croatian representatives have demanded from the very beginning of the implementation of the federation that the federal government be recognized by the republican one.

Furthermore, what particularly led to the feeling of supremacy of Sarajevo over Mostar, in the wake of the Dayton agreement on the federation and Mostar, was the point of that agreement pertaining to the full dissolution of local authorities in the region under the control of the HVO [Croatian Defense Council] and to completely carrying over their jurisdiction to the federal institutions. What is being "forgotten" here is that this is fully in conformity with the agreement reached in Washington 18 months ago, and that, what is even more important, Sarajevo has nevertheless all along been advocating the abolishment of, according to them, the so-called Herzeg-Bosnia and deeming it to be the main obstacle to the implementation of the Washington agreements, refusing "even to hear about" the abolishment of the republican administration bodies on the territory under the control of the Bosnia-Herzegovina Army. And, in fact, the latest agreement includes that provision, in regard both to regions under HVO control and to regions under the control of the Bosnia-Herzegovina Army, all in the name of implementing the federation.

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The united army of the federation should be regulated by law, albeit only above corps level, which means that military jurisdiction of the Bosnia-Herzegovina Army and HVO will not be affected, that is, what will be left are two components under joint command. The authority of the Government of the Republic of Bosnia-Herzegovina and the Government of the Federation of Bosnia-Herzegovina is to be coordinated with the final peace solution for Bosnia-Herzegovina, the borders of the cantons and the Federation are still not known, and the question of the return of refugees (regardless of the agreement on the return of the first groups in Bugojno, Jajce, Stolac, and Travnik) cannot be solved without reaching a global peace solution.

All these are "details" that may cause difficulties, that is, that represent limitations to the agreement reached on the federation and Mostar and that are still "waiting" on the sidelines. Moreover, what still has not been solved is the question of necessary personnel changes, both on the Muslim (the republican authorities) and the Croatian (Croatian Republic of Herzeg-Bosnia) sides, and, if the agreement is to really be implemented, they will ensue as a logical result of what has been agreed. Something was said about this "between the lines," by Presidents Tudjman and Izetbegovic at the signing ceremony, and we have learned from well-informed circles that some Muslim officials already openly opposed this in Dayton, deeming the debate about this issue to be "new concessions to the Croats."

This involves above all the disagreement by a part of the Muslim delegation with the Croatian delegation's insistence on leading republican posts finally being given to Croat officials, since the post of president of the Presidency, prime minister, and foreign minister, who represent the republic before the world, has been occupied only by Muslim officials for years. As an excuse for opposing the arrival of Croat officials, the Muslim delegation has put up the assertions that Sarajevo had already made too many concessions to the Croat side regarding Mostar and the Federation.

In any case, the agreement that strengthens the Croat-Muslim Federation is an important step which, among other things, guarantees that Croats in Bosnia-Herzegovina will remain a constituent people and certifies the strategic interests of the Republic of Croatia.

Effect of Hague Indictments

AU1611124595 Zagreb VECERNJI LIST in Serbo-Croatian 15 Nov 95 p 3

[Commentary by "J.P.": "Pressures to Make Various Concessions"]

[FBIS Translated Text] In the negotiations up to yesterday, there had been many questions raised of vital importance to peace in Bosnia-Herzegovina. There was the text of the General Basic Agreement with 11 supplements, among which there are items on the establishment of a lasting truce and the text of the constitution of the future Bosnia-Herzegovina. Equally important is the supplement and the map that are to define the demarcation line between the so- called entities, the Croat-Bosniak federation and the "Serb Republic." The national and political-strategic interests of not only the entities within Bosnia-Herzegovina, but also—one could say even much more—Bosnia-Herzegovina's neighbors divide most directly over these maps.

Since the vital interests of the main negotiators are being defended in Dayton, the delegation of the Bosnia-Herzegovina Croats has constantly been under strong pressure to make various concessions, starting with the demand to give up insisting on the existence of the Bosanska Posavina [the Sava river basin in the north of Bosnia-Herzegovina] within the Federation of Bosnia-Herzegovina and ending with the demand to agree to a personnel structure within the Bosnian-Herzegovinian authorities that differs from the criteria earlier agreed upon with the Bosniak side.

These direct pressures have been combined with the announcement of the indictments against top officials and representatives of the Croatian people in Bosnia-Herzegovina precisely when the maps and internal organization of Bosnia-Herzegovina are being discussed, matters on which the Croats are taking a firm stand. The intensity of that pressure is also illustrated by the news that Kresimir Zubak, the president of the presidential council of the Croatian republic of Herzeg-Bosnia, has allegedly given his consent to start legal proceedings against the Croatian officials, as—the press quotes—the official representative of the Hague Tribunal had stated. This is absolutely groundless, even absurd, and can only be interpreted as an effort to cause discord and conflicts in the political leadership and among the Croatian people in Bosnia-Herzegovina.

The Croatian representatives in the Bosnia-Herzegovina delegation will be utterly resolute in advocating the interests that have been defined by the political authorities of the Croatian people in Bosnia-Herzegovina.

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FYROM Joins Partnership for Peace Program

LD1511170095 Belgrade TANJUG in English 1549 GMT 15 Nov 95

[FBIS Transcribed Text] Brussels, Nov. 15 (TANJUG)—The Former Yugoslav Republic of Macedonia (FYROM) on Wednesday joined NATO's Partnership for Peace programme.

In a ceremony at the NATO headquarters in Brussels, the documents to this effect were signed by FYROM Prime Minister Branko Crvenkovski and by Acting NATO Secretary-General Sergio Silvio Balanzino.

Balanzino said the FYROM presence in the alliance would bolster cooperation between its member countries and newly founded countries in Europe.

Crvenkovski stressed the FYROM Government resolve to defend peace and stability, to carry out economic reforms and a democratisation of the political system, and to join the system of collective security in Europe and elsewhere in the world.

Before signing the documents, both sides, however, had to compromise.

Balanzino signed a document in which the FYROM is referred to by its official name, the Former Yugoslav Republic of Macedonia, while Crvenkovski signed a document in which his country is referred to as the Republic of Macedonia.

The FYROM clashed with Greece over the name Macedonia after it seceded from the former Yugoslav Federation in 1992 and insisted on adopting this name. Greece, however, claims that this is the name of one of its provinces.

The FYROM is the second country set up after the disintegration of the former Yugoslav Federation to join NATO's Partnership for Peace programme and its 27th signatory. Slovenia, another former Yugoslav republic, has joined the programme earlier.

Office States Gligorov To Resume Duties 'Soon'

AU1511175295 Paris AFP in English 1709 GMT 15 Nov 95

[FBIS Transcribed Text] Skopje, Nov 15 (AFP)—Macedonian President Kiro Gligorov, seriously wounded in a car bomb attack last month, is well on the way to recovery and should resume his duties soon, the government said Wednesday [15 November].

Since the attack, speaker of parliament Stojan Andov has been acting president.

Gligorov, who has had brain and eye surgery for injuries sustained in the October 3 bombing in downtown Skopje, left hospital two weeks after the attack.

His rehabilitation is continuing at home, and his doctors described his physical and psychological condition as good, the statement said.

The president's office said that Gligorov "is already carrying out part of his current duties."

OSCE Envoy, NDP Head View Higher Education

AU1511210195 Skopje FLAKA E VELLAZERIMIT in Albanian 9 Nov 95 p 1

[Report by L. Ibrahimi: "Max van der Stoel in Macedonia"]

[FBIS Translated Excerpt] Max van der Stoel, the OSCE [Organization for Security and Cooperation in Europe] high commissioner on national minorities, yesterday paid an official visit to the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. [passage omitted]

During his stay in the Republic of Macedonia, the OSCE high commissioner also held talks with representatives of the political parties of Albanians in Macedonia. In talks with Mr. van der Stoel, we discussed the Laws on Local Self-Administration and Higher Education, Iljaz Halimi, chairman of the People's Democratic Party [NDP], stated. Mr. Halili asserted that in this meeting we expressed our viewpoints on the inadequacies of these two laws, in particular, Article 9 of the draft law on higher education, according to which higher education in Macedonia should be conducted only in Macedonian. However, Mr. Halimi continued, considering what was discussed at the meeting, we were of the opinion that Mr. van der Stoel, nevertheless, was not as definite about the education of Albanians as he was in previous meetings. As it was said, this was due to the absence of conditions and the difficult economic situation in Macedonia, which determine the existence of an Albanian university.

Albeit, Mr. Halimi added that even regarding this issue, we offered our opinion on finding a way out if there is only a question of financing. This means that we think this would be overcome through greater financial commitment by the Albanian population, but when Macedonia is in a better financial situation itself and, presumably, able to finance this university.

During the meeting, we expressed our determination that lessons be conducted in Albanian for Albanians and that the work of the Tetovo University not be hindered, considering that the second academic year has just

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started and there is a great number of students attending it, Halimi declared. We also stated that the proposal to resolve the issue of education in the Albanian language within the framework of the two existing universities in Macedonia is unacceptable for Albanians, Halimi noted. Halimi said that even Mr. van der Stoel considered the small number of Albanians in the existing faculties a deficiency.

Apart from the NDP representatives, Mr. van der Stoel yesterday also met with representatives of other parties: Abdurrahman Haliti, chairman of the Party for Democratic Prosperity; Ismet Ramadani, coordinator of the people's group; and Alajdin Demiri, member of the Presidency of the Party for Democratic Prosperity of Albanians in Macedonia.

Albanian MP's Urge Legalizing Tetovo University

AU1611082195 Skopje VECER in Macedonian 15 Nov 95 p 5

[Report by "S.D." and "Z.L.": "Language Expands Debate"]

[FBIS Translated Text] At yesterday's continuation of the 29th session of the Assembly of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], parliament members first approved the draft law on denationalization with 73 votes "for" and committed the government to incorporating the suggestions and plights that were brought up in the debates and at the commissions. The parliament members' questions were left for the end of the session, but since a large number of government members were absent, questions were not asked. Assembly Chairman Stojan Andov proposed to leave the questions for the end of the session, which was accepted by the parliament members.

In the general debate on the draft law on university education, members of the Albanian minority parties were the ones who talked the most. Although a number of them assessed the new text on the law positively, they all criticized Articles 9 and 117, which define the use of the language in the universities in the republic. In their opinion, it represents pure legal discrimination.

Namely, Article 9 suggests that the language to be used in the universities has to be Macedonian, specifying that only faculties that teach national minorities' personnel [teachers] could use the language of the minorities, which is unacceptable for the Albanians, who demanded the text of the law to be returned to the government and to add to it a formulation that will allow the use of the languages of the nationalities at all university institutions. The second article that is unacceptable for them proposes that both universities in the republic, "Sts. Cyril and Methodius" and "St. Clement of Ohrid" should continue to be public universities founded by the Macedonian Assembly and they here proposed the "inclusion" of the illegal Tetovo university. In this way, they are proposing the legalization of this university and its inclusion in the university system, because it is a reality for them in front of which one must not close one's eyes. If these requests are not incorporated in this phase of the draft law, the Albanian parliament members warned that there could easily be destabilization in Macedonia, that the gap between the Macedonians and the Albanian nationality would widen, and that it would be a historic mistake....

The speakers from the other parties generally supported the proposed text, remarking on articles that regulate the enrollment of new students, expansion of studies, and diplomas for teachers.

Because of the large number of applications for discussion, the session was convened and will continue later today.

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Interview With Walesa Campaign Spokesman

LD1511133095 Warsaw Radio Zet Network in Polish 0710 GMT 15 Nov 95

[FBIS Translated Excerpt] [Announcer] The guest of Radio Zet today is Mr. Boguslaw Kowalski, press spokesman for Lech Walesa's election staff. Good morning.

[Kowalski] Good morning, ladies and gentlemen.

[Announcer] Why do the recent opinion polls show Aleksander Kwasniewski winning and Lech Walesa losing?

[Kowalski] It is all within the margin of statistical error. Apart from that, we are talking only about the Public Opinion Research Center [OBOP]. There are also other research centers that conduct polls, and, as far as I know, their results are slightly different. The fact is, using racing terminology, that the candidates are running neck and neck. [passage omitted]

[Announcer] According to popular opinion, during the last debate it was Aleksander Kwasniewski who was calm and Lech Walesa who was nervous and who wanted to intimidate and knock out the opponent in the corner.

[Kowalski] I am not surprised. Lech Walesa, a Nobel Prize winner, Solidarity leader, a legend in Poland and in the world, meets a man who represents the old order against which we fought all the time. I can understand that he could be a little embarrassed and nervous in such a situation.

[Announcer] The old order rather than the future?

[Kowalski] Not the future. Definitely not the future. If someone brings into the election campaign [former communist government press spokesman] Jerzy Urban and the NIE weekly, what kind of future are we talking about?

[Announcer] You are talking about the tapes that were published yesterday. Did not Jerzy Gwizdz [Walesa's campaign head] really talk to Andrzej Pastwa?

[Kowalski] He definitely did not talk to Andrzej Pastwa. These tapes are fakes from beginning to end. There are many small details that can prove that the tape has been doctored. Apart from that, such a conversation simply did not take place.

[Announcer] What are these details?

[Kowalski] For example, Aleksander Kwasniewski's staff said the tape was recorded at the beginning of September. The bank account number of Lech Walesa's campaign staff is mentioned there, but the account was only opened on 18 September. This is one fact. Another fact is that one voice says: we will meet at 1800. Soon afterwards, another voice says: Good, we will see each other at nine. There is something wrong here. You can see that all of this has been doctored. Apart from that, the voices are suspicious. Their tone is unrecognizable, they are unclear. I cannot tell whether this is really Pastwa's voice.

[Announcer] I have heard the tape and you have heard the tape, but have you ever heard Pastwa's voice?

[Kowalski] No, I have not.

[Announcer] So, you cannot tell whose voice it is.

[Kowalski] No, of course not.

[Announcer] At the same time, we know, first, that Pastwa does exist and, second that he did set up Lech Walesa's election staff somewhere in August or July of this year.

[Kowalski] It was not an election staff. He used the name national support committee. Anyone can set up a support committee; there is nothing to prevent their doing this. However, he did not use any documents and had no authorization to act on Lech Walesa's behalf. This was a con act and fraud from the start.

[Announcer] What about [Warsaw Chief Police Commander] Arnold Superczynski?

[Kowalski] This is a matter of links between the two people. Arnold Superczynski submitted his resignation. He is simply a victim of a fraudster.

[Announcer] Mr. Kwiatkowski, a minister in the Presidential Chancellery, also says that he knew Mr. Pastwa.

[Kowalski] I think this case is similar to that of Superczynski. No doubt many people contacted Mr. Kwiatkowski, who declared his support for Lech Walesa. It is quite probable that Mr. Andrzej Pastwa was among them. It seems that, because of naivete, Minister Kwiatkowski let himself be conned by a fraudster. [passage omitted]

[Announcer] Yesterday's "Pulse of the Day" television program was very dramatic. You arrived there and pulled out a document implicating [Kwasniewski's staff member] Jerzy Dziewulski. What is this document?

[Kowalski] The problem is that we did not want to end up with a situation in which the election campaign would be conducted at this level, in which one has to resort to various documents to implicate people. It was not we who made Jerzy Urban part of the campaign, and it was not we who gave him the lead. However, this has already happened and we know that more

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unfounded attacks of this kind are in the offing. We know, for example, that Aleksander Kwasniewski's staff have dispatched a television crew to Israel to film an interview with Gasiorowski [man involved in financial scandal] to incriminate the president. So, there are some limits that require a reaction.

By using my journalistic sources of information, I have obtained a document, a personnel document, dated 30 October 1991, sent by personnel and training head Kazimierz Zaluska to the chief police commander—at that time Roman Hula—requesting Jerzy Dziewulski's disciplinary dismissal from the police force. Dziewulski was at that time commander of the police station at [Warsaw] Okecie airport. In the justification of this request, there is the following fragment: It transpires from information received from the State Protection Office [UOP] that Subinspector Jerzy Dziewulski was in contact with Boguslaw Bagsik, who was then wanted by the Warsaw provincial prosecutor's office. Moreover, he used his post, contrary to existing regulations, to take people through customs and passport controls without proper inspection. As a result, he allowed the illegal export of many millions of dollars for Bagsik and Gasiorowski. He was also in contact with an agent of Mossad—that is, the Israeli intelligence service.

[Announcer] If you have this official document, why is Jerzy Dziewulski still a deputy and why is he not in prison?

[Kowalski] This is a good question.

[Announcer] The document is dated 1991?

[Kowalski] Yes, this is when the matter came to light. But then Jerzy Dziewulski became a deputy and is now protected by parliamentary immunity. So, the situation is quite complicated. [passage omitted]

[Announcer] So, two or three days of a very bitter election campaign are still before us?

[Kowalski] If Aleksander Kwasniewski's election staff does not come to its senses, this is what is going to happen.

[Announcer] Radio Zet's guest today was Boguslaw Kowalski, press spokesman for Lech Walesa's election staff.

[Kowalski] Thank you and goodbye.

Probe of Walesa's Taxes Deemed Legally Unfounded

WS1511140995 Warsaw GAZETA WYBORCZA in Polish 15 Nov 95 p 2

[Article by "DAN, KES, KNYSZ, PSK": "Walesa Did Not Have To Pay Taxes on $1 Million; Clean Bucks"]

[FBIS Translated Text] *"The $1 million Lech Walesa received in December 1989 was a donation" we learned yesterday from Roman Hart, who represented Warner Bros., the film production company that held negotiations with Walesa six years ago.*

Hart personally handed Walesa the check for $1 million in London. Hart also told us that the company paid the applicable tax in the United States.

This means that Walesa did not have an obligation to pay taxes because, in 1989, donations from abroad were exempt from taxation provided they were paid to an account in a Polish bank. Walesa paid the donation to the Sopot branch of PKO SA. "The money was paid to an account that was opened in his name," Hart recalled. "I witnessed that. We did not hide anything. The U.S. and Polish press wrote a lot about the donation."

Citizens Want To Know

Waldemar Manugiewicz, the inspector general of the Tax Control Office, launched an inspection on the president's tax records yesterday. He did so after Justice Minister Jerzy Jaskiernia sent him "signals from citizens" demanding an explanation on whether Walesa had paid taxes on the $1 million.

"I did not move for the tax inspection to launch any explanatory proceedings," said Jaskiernia yesterday. "I only passed on the signals to the proper authorities so that they could 'consider taking action.'"

Reporters asked Jaskiernia why he had created an air of suspicion on Walesa's tax payments by publicly announcing last Sunday that he would thoroughly check the president's tax statement. "I received dozens of letters and phone calls demanding that the issue be explained. Some were from eminent people, deputies. I will not make a judgment because it is not within my competence to launch an investigation. All of the letters are signed by the authors and include their addresses," said Jaskiernia, when asked whether he thought the denouncements of Walesa were credible.

Signals Are Coming From the Left

Jaskiernia did not say how many "signals from citizens" he received. He showed 18 letters at the news conference. All were faxes that had been sent on Monday

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and Tuesday, even though Jaskiernia said demands that Walesa's tax statements be examined started pouring in last week. The majority consisted of one sentence only—for example, the letter signed by Marian Kowalik from Lublin: "Minister, I wish to ask you whether President Lech Walesa has paid taxes on the $1 million he received and other donations."

Of the 18 letters inspected by the GAZETA WYBORCZA reporters, only two were written by private citizens. The rest were signed by activists and deputies of the Democratic Left Alliance [SLD] and leftist organizations: SLD Deputy Krzysztof Baszczynski from Lodz, SLD Deputy Izabela Sierakowska, Aleksander Kwasniewski's campaign staff from Zamosc, the SLD Deputies' Bureau from Lodz, the Veterans of the Left Club, the Voivodship Council of the All-Polish Trade Unions Agreement, and the Independent European Initiative [NIE] Movement from Jelenia Gora.

The "signals" also came from the Independent Self-Governing Trade Unions of the Turow Power Plant in Bogatynia, the Construction Workers ["Budowlani"] Trade Union of Szczecin, the Trade Union of the "Kowary" Carpet Factory, the "Legis" Legal Chancellery of Jelenia Gora, and "interested students" from the Academy of Economics located in the same city. On a fax sent by the BMS company of Kwidzyn, there were four illegible signatures.

Even if Walesa owed the state anything, on the basis of the taxation law the tax control services would be unable to establish anything. Five years have passed since Walesa received the money. The case thus falls under the statute of limitations, and the justice minister and inspector general of the Tax Control Office can only terminate proceedings.

Kwasniewski Interview[illegible] Economic Platform

WS1611084795 Poznan WPROST in Polish 19 Nov 95 pp 19-20

[Interview with presidential candidate Aleksander Kwasniewski by WPROST correspondents Marek Krol, Boguslaw Mazur, and Marek Zieleniewski; place and date not given: "The Price of Peace"]

[FBIS Translated Text] [WPROST] Why do you think Lech Walesa should not be reelected president?

[Kwasniewski] Because his concept of playing politics has already been exhausted. The concept he advocated as the leader of Solidarity ended successfully in 1989. I am referring to the fact that he peacefully led the country to democracy and economic reforms. However, the five-year term of Lech Walesa has shown clearly that he does not have an idea as to how he should work under normal conditions. A revolutionary is always in trouble when the situation comes back to normal and when it is the everyday, not very spectacular work that is beginning to count.

[WPROST] Nonetheless, quite paradoxically, the Democratic Left Alliance [SLD] reaped benefits from the president's policies, which was proved by the results of the most recent dissolution of the parliament and the fact that he caused the Pawlak Cabinet to step down.

[Kwasniewski] I believe that it is absurd to talk about Lech Walesa's ever supporting the "left leg." We are a party that attempted to seize the opportunities that arose in situations not caused by us. I think Lech Walesa made a few tactical mistakes. For example, he was wrong in 1990 when he did not propose to set up a broad camp in favor of reforms—that is, something that would be a continuation of the Round Table. As a result, he was politically alienated. However, more important than tactics are substantial issues. Five years ago the Polish reforms were based on three foundations: democracy, a free market, and openness to the world. Now we should give up these lofty slogans and provide answers to very specific questions: what we should do to see more democracy in Poland, how to strengthen the economy, and how to speed up our integration into the European structures. My proposals are credible enough, so I am supported by a parliamentary majority, which Walesa lacks.

[WPROST] While presenting your concepts, you frequently quote the example of Felipe Gonzales, the socialist prime minister of Spain who was able to carry out unpopular economic reforms. A similar path has now been taken by President Chirac. Can you and your group tell people the truth, tell them that there are many things we cannot afford?

[Kwasniewski] I am more ready to do this than Lech Walesa. I have already made decisions that were unpopular; it was predicted that I might lose voters as a result. In the previous parliament I defended the National Investment Funds program, which was, after all, adopted with the votes of SLD deputies. Also, no one can tell me that recently we tried to gain popularity among senior citizens by changing the [pension] valorization principles. Incidentally, the president took advantage of this and vetoed our proposal. Kuron and Pawlak also tried to take advantage of the whole affair. In 1993, when we came to power, I said that our task would be to maintain economic growth and keep a tight rein on inflation. We are consistent here. Second, I agree with you that we will have to implement a difficult reform of the social insurance system. However, its success de-

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pends on whether there is real cooperation among the government, the parliamentary majority, and the president. Therefore, to resolve the problem of the social insurance system reform and to pass the constitution, I would recommend the following scenario as the best one: my victory, hard and substance-focused work in the first few months of the next year, decisions regarding the insurance system reform early in the second quarter, and a constitutional referendum in mid-1996. Now, if Lech Walesa wins, there will be the possibility of dissolving the parliament; then we will have elections, until which no one will have the courage to make unpopular decisions. Then we will have a new configuration of forces in the parliament and, perhaps, a new governing coalition, which may consist of many parties but which may also be unable to carry out difficult reforms.

[WPROST] That depends on how one understands reforms. Recently the coalition "reformed" the tax scale and frozen tax brackets.

[Kwasniewski] The weakest spot of the new scale is the fact that it provides for six rates; it is certainly not the case that we are lowering taxes. I believe that tax reduction should start with the poorest people because here we have to deal with the important problem of social tension. We held consultations with the Polish Peasant Party and the Union of Labor [UP]; we proposed that tax reductions be applied to two groups only—those paying 19 percent and 43 percent. However, we did not obtain consent for that. This is one of the pathologies of the current configuration: Whenever an important decision is made, it is necessary to seek the support of two-thirds of the votes in the Sejm. Without the support of UP, we may not have beeen able to overrule the president's veto and, consequently, unable to pass the budget.

[WPROST] You are talking about lowering taxes. However, in fact, you created a system that deprives the most active people a considerable part of their income in order to give very little to groups of poorer people.

[Kwasniewski] There is a chance that in the future we will lower taxes for other groups as well. If we are to use any instrument of equalizing incomes, an instrument of social justice, it can only be the tax mechanism. Those who will have to pay bigger taxes now must understand that there is a price that must be paid for social peace. According to research carried out by the World Bank, 5 million people in Poland are living at the minimum subsistence level. If there is no demand for political charlatans right now, it is only thanks to our decisions regarding taxes.

[WPROST] However, some time in the future there will be 7 million people who need help. Such taxes discourage employees from making extra efforts; they also force entrepreneurs who want to maintain a real income to limit employment.

[Kwasniewski] Gentlemen, it is better if those who earn more lose a few million [currency not specified] to gain social peace. The day people go out in the streets will cost much more.

[WPROST] At the beginning you said that in economic issues you are guided by economic criteria. Then you said that, when it was working on the new tax scale, the SLD wanted to buy social peace. You are also buying this peace by using taxpayers' money to subsidize big state-owned loss-making enterprises. In an interview for TRYBUNA, you said you are in favor of a social capitalism. In reality, we may find ourselves in a capital socialism.

[Kwasniewski] Well, first: You listed economic, political, and social reasons. That is right! These reasons should be seen together in our reality. Those who are trying to take only economic reasons into account are wrong. Such a mistake was made, for example, by Leszek Balcerowicz; there was also a time when this was a weakness of [Finance Minister] Grzegorz Kolodko. Meanwhile, it is not enough to be right; it is also necessary to gain a parliamentary majority that will support you. Without this majority, any law, no matter how good, will be thrown away. As for social problems, I keep on saying this: Success of the reforms is possible only if at least a balance is kept between those who are benefiting from the reforms and those who have lost. Therefore, I say that taxes and the entire social policy should serve the purpose of maintaining such a balance. The social factor, if ignored, will at best result in early elections and a government of populists, and, at worst, it will drive people out to the streets. I must also add that we have adhered to the principles of the economy; we have not gone in the direction of a theory—supported by Pawlak, for example—in line with which it is possible to widen the budget deficit. However, I do agree that the economy should keep developing in such a way that would enable us to cut down subsidies for companies. These subsidies are, however, necessary at the stage of restructuring because I do not believe in the restructuring of such branches as mining, steel, or agriculture without active participation of the state. Now, if you gentlemen are afraid of "capital socialism," I must say that, if I were you, I would really fear Lech Walesa because the most dangerous economic theories come from the Gdansk Shipyard—for example, where people still think in socialist terms, in terms of 1970's socialism, at that.

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[WPROST] The entire political class is partially to blame for delaying the transformations and for maintaining populist moods. Norman Davies said that "economic transformations in Poland began very dynamically, but in the area of political development we witness lethargy, drifting."

[Kwasniewski] I agree with Davies. However, we should also note that society is maturing politically. Please note that wishful thinking has lost. All those hopes expressed by Kuron or Hanna Gronkiewicz-Waltz were based on the conviction that wishes come true alone. Well, they do not. There are populists such as Lepper; they have 1 percent of support, and this is a very good thing. There are people from nowhere; these have 0-percent support, which is also a very good thing. We had this anti-Semitic Bubel. Now, what happened? The Polish people are not anti-Semitic. Perhaps it is really a good idea to begin putting the political scene in order with elections. If, however, the political class does not draw conclusions from the elections—and there are such symptoms already—things will be fatal.

[WPROST] Professor Jerzy Stepien said that before the second round of the elections President Walesa would "break the opponent's back." SLD Deputy Zbigniew Siemiatkowski, in turn, accused the president of using the services of the Office of State Protection [UOP]. Is there anything you gentlemen are afraid of?

[Kwasniewski] First of all, I hope that before the second round of the elections we will have a substantive discussion. This back-breaking talk reminds me of the words about "cutting hands." We should avoid such rhetoric because the Polish people really do deserve to hear a substantive discussion. As for the statement by Mr. Siemiatkowski, I must say that there have been signals regarding UOP's cooperation with the president. I will be very glad if they prove false. If, however, they turn out to be true, the situation will be far more serious.

Bishops Deny 'Official Support' to Walesa

LD1511134295 Warsaw Polskie Radio First Program Network in Polish 1105 GMT 15 Nov 95

[FBIS Translated Text] Bishop Tadeusz Pieronek, secretary general of the Polish Episcopate, has told Polish radio that the episcopate will not support either of the presidential candidates. Earlier, Cardinal Jozef Glemp, the primate of Poland, asked the priests in the Warsaw diocese to hold a special Mass on the eve of the second round of the presidential elections for the outcome of the elections, President Walesa, and the homeland.

[Begin Pieronek recording] There will be no official support on behalf of the entire episcopate. Each bishop, if he wants to, can make a statement because, as a citizen, it is his duty to be concerned about the elections, and he also has the right to speak in favor of a candidate. The primate did not speak as the chairman of the conference of bishops but as the archbishop of Warsaw. Of course, this subtle difference may not be of great significance to most people, but, from the formal point of view, this is how it should be interpreted.

By analogy, Mr. Oleksy can make statements as a citizen and as the head of government. [end recording]

Daily Examines SLD Situation After Elections

WS1411093095 Warsaw RZECZPOSPOLITA in Polish 9 Nov 95 p 5

[Article by Eliza Olczyk: "Regardless of Presidential Runoff Results, the SLD Always Wins"]

[FBIS Translated Text] *In the first round of the presidential elections, Aleksander Kwasniewski received approximately 35 percent of the vote. Compared to the parliamentary elections, the result was 15 percent higher (in 1993 the Democratic Left Alliance—SLD—was backed by one-fifth of the voters). In Kwasniewski's local campaign staffs, there are many young people. Right now it is unjustified to say that the SLD is a party of senior citizens and that it will die along with them. Aleksander Kwasniewski worked really hard to gain supporters for himself and his party. Already it can be seen that he has been successful in that.*

Now that we have gotten halfway through the elections, now that we know that one of the two candidates—Lech Walesa or Aleksander Kwasniewski—will actually be elected president, we can think about the political consequences that either round of the election will have for the SLD.

SLD leader Aleksander Kwasniewski won the first round of the elections, even though it was a narrow victory—he received 2 percent more votes than Walesa. If he also wins the second round of the elections and becomes president, this would of great importance to the formation he heads.

All the Power

Today it is difficult to predict what Aleksander Kwasniewski's presidency would look like. Many politicians are concerned over the fact that after the SLD leader's victory the postcommunist camp would be extremely strong, whereas the opposition, which is already weak, would lose even the remnants of its importance. If we assume that the current governing coalition will continue to rule (everything seems to suggest that it is in the interests of both partners to ensure this), the SLD, along with the Polish Peasant Party [PSL], will be able

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to pass any laws or amendments—pass a new constitution, strengthen or weaken the position of the president, impose new directions in the economy. The experiences we have had so far, the two years during which the SLD-PSL coalition has had an overwhelming majority in the parliament, show that the coalition does not readily listen to opinions voiced by the opposition, even if the people who express these opinions are right. After 1993 the parliament was transformed into an efficient voting automaton. From the government's point of view, this is an ideal situation. From the point of view of the public interest, things are not so clear-cut. So far there has been at least one obstacle—even though a weak one—in the activities of the coalition: Lech Walesa, who readily took advantage of the veto right and of the right to put laws into question and submit them to the Constitutional Tribunal. If Walesa loses the presidential elections, this single obstacle would be removed. The SLD would have all power.

In fact, it is difficult to say exactly what consequences the electoral victory of the SLD leader might have for the country. It is only known what this victory might entail in the party. It is highly probable that, if he wins the elections, Aleksander Kwasniewski will have to resign from the office of chairman of the Social Democracy [SdRP] of the Polish Republic and the SLD Club. This is because it is unthinkable that he would be president and would continue to head these two formations. He might even suspend his membership in the SdRP, which would be in line with statements he has made on numerous occasions—that he wants to be a president approved by the entire society.

Thus, if he wins, the SLD will have to face the problem of appointing a new chairman of both the party and the club.

Lull Before Victory

For the time being, there is no talk in the SdRP about who would like to be the party's new chairman (this does not change the fact that many politicians must be thinking about it), even though the party cannot complain that it does not have enough people who enjoy support among activists. Everyone is waiting for the final decision—they most probably do not want to count their chickens before they hatch. It is a well-known fact that the people who enjoy very great confidence in the party are Prime Minister Jozef Oleksy and Labor Minister Leszek Miller. In the most recent vote of confidence in the members of the SdRP presidium, they received nearly the maximum number of votes. Either of them also has his supporters, who would readily force their candidacies. Support for Jozef Oleksy further increased when he became prime minister. However, the prime minister has a lot of work to do, and he would find it rather difficult to head the government and perform the duties of party chairman at the same time, even though he might find this idea attractive. Leszek Miller is still associated with that group in the SdRP that is the closest to the Polish United Workers Party [PZPR]. When people talk about "small-town comrades," they think, among others, of him. His leadership might slightly rock the image that was so difficult to form: the image of the SdRP as a contemporary social democracy that follows Western models and that is not the heir to the PZPR but an entirely new party.

Thus, the issue of leadership in the SdRP and the SLD remains open, although it does not seem that the election of a new chairman would be stormy. Some of the more ambitious SLD activists would most certainly assume posts in the Namiestnikowski Palace [home of the presidential offices] after Kwasniewski's victory. There would also be vacant posts in the so-called presidential ministries—the Foreign Affairs Ministry, the National Affairs Ministry, and the Internal Affairs Ministry. These posts would also be seized by more active politicians. The rest would be able to elect Kwasniewski's successor without any big problems. It is also possible that two different people will be appointed to the post of party chairman and the office of the club head. In the latter case, it might be a middle-of-the-road man, such as Deputy Sejm Speaker Wlodzimierz Cimoszewicz. He already headed the club (at that time the Parliamentary Club of the Democratic Left) in the contract [elected in 1990] Sejm. In the presidential elections, he loyally supported Kwasniewski, even though he did it a bit late. At any rate, Aleksander Kwasniewski's victory would consolidate both the party and the club, regardless of who filled the posts vacated by him. No one wants to do any harm to the formation that has the legislative, executive, and presidential powers.

Strength of the Alliance

If Lech Walesa wins the elections, Aleksander Kwasniewski will remain leader of the party and of the club. The results achieved by the SLD leader and the incumbent president will probably be small. If Kwasniewski loses, it will not be a failure with bad consequences. It can already be seen that, as a result of his campaign, the SLD has gained new supporters. Two years ago the SLD was backed by a little more than 20 percent of voters. Today Aleksander Kwasniewski enjoys 35-percent support in society. It is true that party leaders always achieve better results than the party; however, these 15 percent prove that the entire party has become more popular as well. Thus, Aleksander Kwasniewski's leadership will not be in question if he loses—the more so

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because the position of the SLD will be considerably better than before the presidential elections.

If Lech Walesa wants to dissolve the parliament after his electoral victory and if he decides to hold early elections, the SLD will do its best to take advantage of the result that Aleksander Kwasniewski achieved in the elections. As a consequence, the SLD, which already is the biggest group in the parliament, may become even stronger. SLD politicians would not really object to such a decision: holding new elections would take the task of implementing the unpopular social and health insurance reforms off their shoulders. As is known, no party has ever gained new supporters by implementing such reforms. If the SLD stayed in power through the entire term, it would have to carry out these reforms. If they are not carried out, the budget may collapse, which might trigger a huge social outbreak. The reforms cannot be put off because the party would have to explain this to its voters in the next election campaign. If, as a result of Sejm dissolution or a cabinet crisis the SLD got rid of this task, it would find itself, quite conveniently, in the opposition, which at the very last moment was prevented from carrying out the reforms (which would have been a step toward restoring the country's finances to a good condition) and from implementing the electoral promises.

There is also a possibility of dissolving the parliament and forming a presidential government. However, in line with the constitution, such a government can work for only three months, and the dissolved parliament continues its work during that period anyway (this is in line with the most recent amendment, which says that the parliament whose term has been shortened continues to work until a new Sejm and a new Senate are elected). This places the presidential government in a rather bad situation. Of course, President Walesa has his "options" for various situations, and it is difficult to predict what he will do. However, it seems that, no matter what, the situation of the SLD will not be worse than the situation of other political groups; in some cases it may even be better. Everything seems to suggest, then, that this formation has found a permanent place for itself on the Polish political scene.

Army Daily Rebuts Critical Article on Wilecki

96EP0003A Warsaw POLSKA ZBROJNA in Polish 20-21 Oct 95 pp 1, 3

[Article by Major Marek Ciecierski: "You Don't Have To Love Us, but You Should Not Slight Us Either"]

[FBIS Translated Text] The reason for the existence of any of the world's armies can be reduced to several simple, fundamental, and historically evolved rights. One such right, ensuing from the principle of unified command, practically imposes upon subordinates the obligation of defending the authority and good name of their commander whenever these are being questioned. This point is quite clear to the military on a base or on the battlefield. But when a commander is subjected to what often are roughshod attacks in the press, we feel somewhat impotent and confused, because the issue is much more complex.

The object of one such attack is, not for the first time, General Tadeusz Wilecki, the man most highly placed in the hierarchy of the Armed Forces. In a nutshell, in a rambling article that practically resembles a brief course in the history of the Polish Army, Editor Wlodzimierz Kalicki made the accusation that a civilian hat was peeking out from under Gen. Wilecki's brass hat. This metaphor is supposed to imply that the chief of the General Staff is consumed by the fever of political ambitions and passions that are swelling to the bursting point that khaki-colored corset which he decided to don several decades ago when he first joined the military.

I do not know how much of a soldier and how much of a politician there is in Gen. Wilecki—it is not for me to consider and judge this. I also am unaware as to whether he has made any explicit political offers, whether he has "promised his support to politicians in return for their commitment to Army matters and representing Army interests," or whether he has not done so. Let me say more: I want to assure my readers that Editor Kalicki, too, cannot be certain of that, because I doubt that he has taken part in such talks.

On the other hand, I am quite certain that Kalicki's series of two articles, published in successive issues of GAZETA WYBORCZA, reflects—aside from many facts and astute appraisals—a generally low level of knowledge about the Polish military, both in Communist times and at present, based chiefly upon press clippings and conversations. It is clear that, proceeding from the premise that what matters most is not what is published but where, Editor Kalicki's guiding principle is that a journalist's flexible pen, like the nightstick of a communist-era militiaman, expresses whatever is conceived in one's fertile head. As for the fame and popularity and, even more, circulation of a newspaper, these sanction failure to identify sources and to provide accurate information and figures where these count.

First of all, in addition to expressing his explicit personal bias, that writer provides many general appraisals and opinions on the history of the Polish military and its present-day status, and it is principally these that require comment here.

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The history of the Polish People's Army has been and remains a source of controversy, passionate polemics, and extremist opinions. True, that communist-era military has to shoulder the blame itself, because, for obvious reasons, it has never been an open field for reporters to "graze in." For nearly the entire postwar 40-year period, the monopoly on writing about the military was held by closely controlled ministry publications. The civilian press was graciously permitted to write in praise of this subject on anniversaries, holidays, and other special occasions. In view of the dark stains on its past and rather opaque appearance, the communist-era military was hardly a soldiering utopia. Those among us who have served in it even for a short period of time remain more or less burdened by feeling responsible for sins of commission or omission, by memories of naive faith or cynicism, of servility or conformism.

But Editor Kalicki's notion that "a major purpose of that military was to mask its existence in peacetime" is very puzzling, for it might then seem that the purpose of the existence of regular armed forces cannot be concealed. In every country the purpose of its army is to wage war, whether offensive or defensive, whether a just war or a somewhat less just one, whether a class war or not. It turns out that, according to Editor Kalicki, the communists in their perfidy tried to conceal that too.

Another accusation, a simply appalling one: Kalicki defined that military as an institution "isolated from the life of the society." If the euphemism "isolated" is interpreted as "alienated" and "deracinated," this is bound to mean that the communist military had no ties to the society whatsoever.

It can be readily seen that, if we disregard the malicious comments, Kalicki certainly meant that the Polish People's Army existed not within the society but alongside it, as it were. The proof cited was that it maintained its own PX-system, housing and recreational facilities, judiciary, schools, and hospitals. But if this criterion is taken as the guide, what about those other communist-era branches and subsectors which can be objectively termed as existing outside or on the margin of the mainstream of society? Even now the situation in this respect has here and there remained unchanged. To add to the embarrassment of Editor Kalicki, consider that in several Western countries the military enjoys equal if not broader "privileges" and shrugs its shoulders, so to speak, when similar accusations are addressed to it.

The issue of such privileges is closely linked to the issue of corruption. The author treated the matter as follows: "The military was viewed as a pillar of the authorities, a strong pillar, because it was thought that, being corrupted by its privileges, the strongly politicized officer corps would defend the old order until the very end." This politicization, or the membership of many officers in the Communist party, was indeed true. But any absolute power, big money, or huge influence can corrupt too. The officer corps as such lacked any of these attributes. True, a few of its representatives were afforded such opportunities in the 1980's. But in no case does this justify tarring everyone with the same brush, because this is an insult to huge numbers of honest men.

Now a comment on one more broad issue before getting down to the most essential, personal one—an issue which is either ludicrous or horrifying, hard to say which. Well, the author of "The Civilian Hat under the Four-Cornered Brass Hat" believes that in the Polish People's Army the sentiment for the prewar officer corps was so far-reaching that even "...young officers with typically peasant names adopted gentry-sounding names." I hardly know myself what names are typically peasant, since friends of mine, who come from families that have been peasant for untold generations, bear such names as Gajewski or Nowakowski. I can hardly tell either how many dossiers about such name changes among officers are available to Wlodzimierz Kalicki, but even so I shall risk declaring that his conclusion is just about as valid as mine was when I once wrote, "The reporters, both male and female, of GAZETA WYBORCZA in the beginnings of the revolution of 1989 dropped their plebeian-sounding names and adopted more gentry-sounding names." Both conclusions are simply hyperboles. But the point is perplexing. Perhaps we are really dealing with a social phenomenon which deserves exploring? If that is so, it would be worthwhile to investigate the statistical dimension of the trend which Editor Kalicki deigned to identify, the basis for offering these, rather than other, hypotheses for study.

Finally, there is the more topical, more personal issue. The causes of the present-day unbridled ambitions of the generals are, in Wlodzimierz Kalicki's opinion, traceable to the martial law era. For, according to Kalicki, it was then that the military commissars who lorded over became convinced that public and political life could be governed by issuing orders. And yesterday's commissars are today's generals, Kalicki said. But the military views this matter in a diametrically opposite way.

Involving a substantial part of the cadre, especially the higher officers, in politics was a major mistake and a misfortune to the Army. For that group of men, who spent all their professional life in the barracks, suddenly was made to administer ministries, departments, voivodships, etc. The results were easy to foresee: A majority, through no fault of their own, became exposed to ridicule. The cult of incompetence, ignorance,

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and sometimes even stupidity, began to reign. It was just then that the myth that anything could be settled on behalf of the public by issuing orders collapsed instead of becoming strengthened. Also buried was the popular hope that the military had some panacea for economic ailments. That was an irrational belief, because it is not the military who generate prescriptions of this kind. In no case, however, we can accept the claim that it was then that personal ambitions transcending greatly the confines of the Armed Forces were conceived. On the contrary, a pail of cold water was poured on those holding such ambitions.

Returning to the principal issue, that of personalities, it is readily seen that in his supposed criticism Editor Kalicki followed two techniques. The first was the old and classical carrot and stick approach. Side by side with complimenting Tadeusz Wilecki on his model career as a commander, his talents, persistence, diligence, and contempt of servility, there is the comment, "Among the military the opinion is that Wilecki owes his rapid career advancement to more than just his accomplishments as a commander. In the mid-1960's he won the military triathlon of Warsaw Pact armies and thus attracted the attention of Gen. Jaruzelski. Since then he has always been able to count on his good will." What does this passage imply? It is simply that the reporter is winking at the reader, as if saying that talent is one side of the coin, the other being Jaruzelski's goodwill. So then, Gen. Wilecki owes his career to the bulging muscles and stamina of Subaltern Wilecki? Another example: The author admits that Gen. Wilecki's rapid and soaring career points to outstanding ability, but he leaves open the question of "a kind of warping and feeling of one's own mission." Why is the editor rolling out such heavy artillery? He was convinced by "broadly educated professional officers" who argued that steady advancement to command positions can only be harmful. As to who are, for God's sake, those broadly educated officers, that remains the sweet secret of Mr. Kalicki.

Kalicki's other technique can be reduced to keeping his sources secret. Thus, Wlodzimierz Kalicki avoids naming his sources and instead resorts to several vague claims such as "the opinion among the military," "according to broadly educated officers," "some generals believe that," etc. He coyly points to his extensive knowledge whose sources he, of course, cannot disclose, presumably on the grounds of journalistic ethics.

And once Kalicki decides to present his own resume, it sounds like he personally heard from the mouth of Gen. Wilecki the points he is trying to make. For how else can we interpret claims such as, "Gen. Wilecki somehow is unable to accept the bitter truth, which had already been accepted by experts of the emigre Polish Government in London during World War II, that nowadays Poland has not the least chance of standing up militarily on its own to any of its big neighbors." That must have been the fruit of a private conversation between the general and the reporter, for published sources do not contain any equally confident statement of Gen. Wilecki as to victory in a future war with any of our neighbors. It is interesting that this chief of the General Staff, who bellicosely brandishes his saber as some think, or who is the future Polish Pinochet as some others murmur, enjoys recognition for his outstanding professionalism and understanding of the requirements for the adaptation of our military to joining NATO structures. These qualities of Gen. Wilecki were recently praised by the chairman of the United States Joint Chiefs of Staff, General John Shalikashvili, during his visit to Poland. Is it that GAZETA WYBORCZA reporters know something that mere mortals do not? That would be a scandal equal in dimension to the so-called Poznan affair.

Several years ago Jerzy Slaski (himself a "victim" of Gen. Wilecki), upon becoming editor in chief of the then newly established POLSKA ZBROJNA, instead of donning the garments of the chief inquisitor—which would not surprise the military—stated as follows in his editorial: "No one has to love the military. No one even has to like it. The military and the relations reigning within it may be criticized, but it may not be slighted. It must be respected." This declaration of the Chevalier of the Order of Virtuti Militari, a graduate of the prewar Cadet Corps, a soldier in the underground Home Army, and a man who has had dozens of reasons for hurling insults, is worth pondering deeply.

But there is one more point to ponder. We officers have always been told that common sense and authority do not go hand in hand with promotion. This is a deep truth, which applies not only to the military. I think that no one yet has gained the monopoly for professionalism, objectivism, and infallibility by getting a job with GAZETA WYBORCZA.

Poles Smuggle German Guns for Sale in East

96P20075A Krakow GZAS KRAKOWSKI in Polish 23 Oct 95 pp 1, 3

[FBIS Summary] The 23 October issue of the Krakow regional daily CZAS KRAKOWSKI reports that the "Polish export specialty has become the converted tear gas handgun." Polish criminals are purchasing tear gas handguns in Germany, converting them to live ammunition firing weapons, and selling them to "customers" in the east. The most popular handgun is the converted German Walther gas gun. Smugglers acquire

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this weapon in the west, most often in Germany, and Polish "gunsmiths" convert them to lethal bullet-firing weapons. These are then sold to customers in the east for two to five million old zlotys.

Although it is believed that "the Polish market is full of Kalashnikovs," the police do not often find them in the hands of criminals. Law enforcement officers have found some stores of Kalashnikovs with the two standard magazines and the "rarely seen in Poland" 75-round drum magazine. This year, Warsaw police liquidated a number of cells where illegal gunsmithing was going on and also found stores of weapons. This occurred in Pruszkow, Otwock and Sulejowek. Police spokesman Tomasz Grzelewski stated that "from the beginning of the year, the Warsaw capital police have removed 120 lethal weapons and 78 tear gas weapons from the bandits."

One of the other "preferred methods" of acquiring weapons by criminals is by stealing them. The more "lazy" criminals do not get their weapons from illegal gunsmiths or from smugglers. They just steal them from places where they can find the most weapons, namely army units and gun stores. Three months ago, unknown robbers stole 75 pistols from an army unit in Bemowo. Most often, criminals steal firearms from sports clubs or private citizens. Larger weapons have also been seized, such as an antitank weapon being stored in a barn in the Mazowsze region of Poland. The owner stated that he was "keeping it for deer shooting."

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Hungary To Respond To Reconciliation Proposal

AU1511160695 Bucharest Radio Romania Network in Romanian 1100 GMT 15 Nov 95

[FBIS Translated Text] His Excellency Ferenc Szocs, the Hungarian ambassador to Bucharest, has been holding a news conference this morning at Hungary's Embassy in Bucharest. The ambassador said that today he wishes to open strong relations with the press.

The topic of the news conference was a briefing on the Hungarian-Romanian bilateral accord. As regards the national reconciliation initiative, the Hungarian side will be presenting its position on this proposal by 15 December 1995. The two sides will start discussions at level of experts in January and three delegations will concurrently negotiate the basic treaty, the political declaration and the intergovernmental accord, and the rights of minorities.

We are aware that the negotiation process will be a long one, said the Hungarian ambassador; however, during the negotiations we wish to make concrete gestures such as opening new border crossing points, reinstating consulates in Cluj and Debrecen, and opening other ones, as an alternative, in other parts of the country, our correspondent Diana Nedelcu reports.

Minister Says Foreign Debt at $5.2 Billion

AU1511175795 Bucharest ADEVARUL in Romanian 8 Nov 95 p 10

[Article by D. Dumitru and Al. Boariu: "Romania's Public Foreign Debt Has Reached $5.2 Billion"]

[FBIS Translated Text] Minister of Finance Florin Georgescu informed the executive on 7 November about the implementation of the budget endorsed on 30 September 1995. The data presented by the minister reveals that the budget deficit on that date was 896.8 billion lei and is continuously increasing. Since 1990 the state's public foreign debt had reached $5.2 billion, representing the foreign loans obtained through contracts and guaranteed by the state that have actually been received.

Vacaroiu Allegedly Ready To Sell Gold Reserves

AU1511175595 Bucharest ADEVARUL in Romanian 8 Nov 95 p 1

[Article by D. Dumitru and Al. Boariu: "To Ensure Heating in People's Homes, Prime Minister Vacaroiu Is Ready To Sell the Gold From the National Reserve"]

[FBIS Translated Text] During the government meeting on 7 November, Prime Minister Nicolae Vacaroiu said: "If necessary, we will sell the gold from the country's reserves, so that people should not suffer from the cold." The statement was made during discussions held by the executive on the energy program for this winter. While estimates of production and consumption of electricity have been exceeded—6,219 MW average power compared with 5,837 MW—the greatest problems continue to be encountered in establishing fuel stocks. For example, in case of crude oil, compared with the 730,000 metric tons planned to be stored for the use of thermal power stations, only 64.4 percent was ensured by 30 September owing to lack of funds. To eliminate this substantial deficit, the authorities have decided to allocate an additional 100 billion lei to acquire supplementary crude oil. In the case of coal, 90 percent of the winter stocks have been ensured, while in the case of natural gas, more has been stored in underground storage places than envisaged in the program.

Vacaroiu Denies Statement

AU1511175695 Bucharest CURIERUL NATIONAL in Romanian 10 Nov 95 p 3

[Report by "I.L.": "There Is No Question of Using Gold Reserves for Fuel Imports"]

[FBIS Translated Text] In an interview to Radio Romania's Current Events program, Prime Minister Nicolae Vacaroiu returned to the issue of the uninspired proposal that he had made during the government meeting on 7 November. He said that "if we were faced with a completely exceptional situation, we would have to use even the country's gold reserves (...); however, this is not the case, so such an issue is currently irrelevant." Given that government spokesman Ioan Rosca did not invent the prime minister's statement on Tuesday, we are wondering why Nicolae Vacaroiu changed his mind on Wednesday at 1820 [1620 GMT] and denied the irresponsible statements that he made on 7 November, which brought intense speculation over his ability to understand the role of the country's gold reserves.

Cernavoda Plant To Begin Operating Mid-1996

AU1511172895 Bucharest JURNALUL NATIONAL in Romanian 10 Nov 95 p 12

[Report by Mihaela Iordache: "The Cernavoda Plant To Begin Operations by the Middle of Next Year"]

[FBIS Translated Text] Reactor No. 1 of the Cernavoda nuclear plant will most probably reach the critical point in January 1996, stated sources at RENEL [Romanian Electric Power Authority]. However, one cannot exclude that the deadline established by contract with the Canadian partner—that is, December 1995—might still be observed. After the critical point is reached, the reactor will be connected to the electricity network (by

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the end of February or beginning of March,) while the unit will begin commercial operations by the middle of 1996. Technically, the reactor is actually ready to reach the critical point, but there are delays at the procedure level—in other words, in obtaining the necessary authorizations. The preliminary authorizations are to be obtained by various environmental protection, medical, and other bodies; these are to be submitted subsequently to the National Commission for the Control of Nuclear Activity, which is to issue the final authorization, said the same aforementioned sources.

Political Motive Behind Bank Scandal Considered

AU1511172695 Bucharest ADEVARUL in Romanian 11 Nov 95 p 1

[Report by Bogdan Chirieac: "An Episode of the PDSR-PUNR War?—The Dacia Felix Bank in Confidence Crisis"]

[FBIS Translated Text]

Will the National Bank Support It?

The Dacia Felix Bank [BDF], the largest private bank in Romania, which handles over 20 percent of the money in the country, has managed to become the symbol of trustworthiness and stability for many people. Owing to fast banking services and the comprehensive computerization of all operations, many private companies and citizens opened accounts with the bank. A few days ago, however, Police General Costica Voicu cast a shadow of doubt over the BDF by stating that they had received complaints about certain irregularities and illegal dealings going on at the bank. This news, along with speculations about the loans granted to the famous Sever Muresan, which allegedly were invested in nonlucrative investments, triggered a state of anxiety.

On the morning of 10 November at the BDF branch on Stefan cel Mare Avenue [in Bucharest], there was a great deal of agitation. Crowds were standing in line in front of the withdrawal windows. The computer system, which had worked perfectly until a few days before, collapsed—at least this is what they claimed. The cashiers were working at a very slow speed, which was totally unusual for the customers who had been accustomed to the rapid services of the BDF. The police officers on duty in the bank halls were directing people and asking them to remain calm. The unusually high level of withdrawals made the bank branch run out of cash. As a matter of fact, no bank in the world could possibly cope with such a situation, when due to founded or unfounded rumors it faces massive withdrawals of capital. In such cases, the national bank of the country in question or the entire banking system has to come to the rescue of the bank facing difficulty. They do so because the collapse of important banks could have very serious economic and social consequences. On the morning of 10 November, however, the problem was that the BDF branch on Stefan cel Mare Avenue gave the impression of an abandoned bank. There did not seem to be any hope that the Romanian National Bank [BNR] would intervene to clarify the situation. The bank managers, Messrs. Eugen Boie and Florin Berbec, refused to make any statements to the press. Off the record, however, Mr. Boie explained to us that the BDF continues to be a serious institution: "Such a thing cannot simply vanish, as Romania did not vanish either following the 1989 revolution. But the BNR does not have cash either. Why does Mr. Isarescu [BNR governor] not give us back our 10 billion lei [L]-commission we deposited with them?" The latter question may very well be answered by the tough competition going on between the PDSR [Social Democracy Party of Romania] and the PUNR [Romanian National Unity Party] to take control over the BDF. Is there perhaps a connection between the fact that Sever Muresan flirted with both of those parties? And does the fact that he has not been invited to travel with the president of the country during his latest visits abroad mean that he had chosen the "wrong" party? Mr. Muresan always impressed everyone with the careless way in which he spent large amounts of money—for instance, bringing former U.S. President George Bush to Bucharest to play a game of tennis with Prime Minister Vacaroiu....

After the boulder of mistrust was put into motion and after the cash withdrawals reached a level that would put any bank in a difficult situation, the person who caused the entire quake shifted into reverse. Voicu made a new statement saying that the IGP [Police General Inspectorate] is not engaged in any special investigations concerning the BDF and that the checkups under way are actually being conducted by BNR experts, but this is an absolutely normal thing in the life of any banking institution. But is this enough to calm down spirits? The foremost capital of any bank is its trustworthiness. And while it takes a very long time to gain confidence, sometimes it only takes a minute to ruin it all.

The Cluj Inhabitants Are Withdrawing Their Money From the BDF—The Price of the Dollar Rose to L3,000

As soon as the scandal broke out around the BDF, and also due to the attacks against BDF Chairman Ioan Sima, the Cluj inhabitants began to withdraw their money from the bank. Credit Anstalt Investment Bank, the largest governmental investment bank of Austria,

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has taken over the administration of the Romanian investment fund, but the simple citizens do not seem to be aware of this and therefore they are withdrawing their money from that fund. As a result, currency exchange offices have stopped selling dollars, so now they are merely purchasing them at a price of L3,000.

Solcanu on Possible PDSR-PNTCD Cooperation

AU1411204995 Bucharest EVENIMENTUL ZILEI in Romanian 8 Nov 95 p 5

[Article by Cristina Sofronie: "PDSR Does Not Rule Out Cooperation With PNTCD in the Future Parliament"]

[FBIS Translated Text] "If the PDSR [Social Democracy Party of Romania] wins 40 percent of the seats in the future Parliament, I do not see why there should not be cooperation between the ruling party and the PNTCD [National Peasant Christian-Democratic Party], which, traditionally, was a left-wing party" said PDSR Vice President Ioan Solcanu during the 7 November PDSR news conference.

Ioan Solcanu expressed his belief that this cooperation will be possible after an inevitable process of clarification has taken place within the PNTCD "mainly because there are many personalities within the peasant party with whom one can cooperate."

Rejecting the accusations according to which the PDSR is striving to become a unique party, the leadership of the ruling party is convinced that the attacks come from a "triangle" that includes small parties such as the PUNR [Romanian National Unity Party], the PSM [Socialist Party of Labor], and the PRM [Greater Romania Party], which are afraid of the establishment of strong parties that will become viable alternatives. Now, the PDSR will convene a meeting with the leadership of the PUNR and the PSM in order to ask the leaders of those parties to dissociate themselves from the attacks launched by some representatives of those parties.

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Federal

Assembly Official Expects Peace To Be Signed

AU1611111495 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 15 Nov 95 p 6

[Article by S.M.: "Agreement To Be Reached Before Long"]

[FBIS Translated Excerpt] I expect the agreement on peace, which is our lasting orientation, to be signed, said Radmilo Bogdanovic, vice chairman of the Chamber of Citizens of the Yugoslav Assembly, at the discussion forum which was held by the Savski Venac Municipal Committee of the Socialist Party of Serbia yesterday.

All eyes have been turned toward Dayton from where reports are coming that the agreement on peace will be reached before long, Bogdanovic pointed out and added that despite all efforts domestic and foreign negotiators have been making in order to reach final peace agreement, the Croatian-Muslim side is trying to impose its conditions to the maximum.

The recent signing of the Serbian-Croatian agreement for the Srem-Baranja region represents a good step forward in normalizing relations in that region, but, as Bogdanovic said, what is important is the way it will be implemented and the extent to which the UN forces will work on having respected that which has been agreed upon.

"So far, Yugoslavia extended diplomatic and material help to the Serbs in the Serbian Republic and a part of Republic of Serbian Krajina," Bogdanovic said. "The lifting of sanctions will open our country toward the foreign countries, but then we will have to preserve the stability of the dinar and accept the second part of the program on economic measures." [passage omitted]

Increases in Cost of Living Reported for October

AU1411143995 Belgrade POLITIKA EKSPRES in Serbo-Croatian 10 Nov 95 p 3

[Unattributed report: "One Needs 2.7 Wages for Food Alone"]

[FBIS Translated Text] According to the Federal Statistical Institute, the overall value of 65 products in the "consumer basket" that are necessary for monthly nutrition of a four-member Yugoslav household amounted in October to about 929 dinars, which is by 40 dinars, that is, 4.4 percent more than it was in September.

According to TANJUG, what distinguishes the October price course from the ones before is its lower increase. That is, in September, the "basket" increased in price by 13.9 and in August by 13 percent.

Food and drinks that the "basket" includes increased in price less than other products in October did as the overall increase in retail prices was 9.9 percent and in the cost of living was 9.6 percent. However, the "basket" does not include items such as clothes and footwear, or the expenses of housing, services, hygiene items, education, or culture.

According to the data in the October cost of living which, apart from food also involves other costs, what increased the most, that is by 18.5 percent, were the housing costs. The situation is similar with expenses for education and culture, which also increased by 18.5 percent, as well as with the cost of various services, which increased by 17.1 percent.

In order to cover the "basket" of 65 food and drinks items, a four-member family last month needed about 2.7 monthly salaries. In September, an average salary was about 369 dinars.

Serbia

SPS, Opposition Assess Accord on Slavonia

AU1511213095

[FBIS Editorial Report] Belgrade NASA BORBA on 14 November on page 3 carries Socialist Party of Serbia [SPS] and opposition party reactions to the agreement on eastern Slavonia signed in Dayton, Ohio.

In a statement for NASA BORBA, given to correspondent I.K., Vuk Draskovic, leader of the Serbian Renewal Movement [SPO] hailed the agreement because it "protects equally the civil, national, and property rights of all parties, while the international protectorate over the region and the superpowers' guarantees will enable the implementation of the agreement." According to Draskovic, "one of the crucial points of the agreement is that the Serbs who are refugees or have fled from other parts of Croatia and settled in Baranja and western Srem will have the same rights as the local population, that is, as those who inhabited the region before the war." Draskovic goes on to say that war was the only alternative to the agreement, and that it would not have been a local conflict, but an all out Serbian-Croatian clash that would claim tens of thousands of lives, but would still end in a similar agreement.

SPS spokesman Ivica Dacic believes that "the agreement is immensely significant because it will put a definite end to the war in the region and will save the Serbian people from more suffering and casualties." Dacic expressed the conviction that the agreement will "secure peace, freedom, and equality of the Serbia people, the return of refugees, and the observance of human rights and liberties in the entire area." He also believes that it

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is an example of how peace negotiations and political means are the best way of protecting national interests.

Bela Tonkovic, president of the Democratic Council of Vojvodina Croats, believes that "the agreement is a good foundation for the peaceful reintegration of the region into the constitutional and legal order of Croatia." He goes on to express his belief that after the Dayton talks, "we can also expect a solution regarding the legal status of Croats in the Federal Republic of Yugoslavia [FRY]."

Democratic Party President Zoran Djindjic assessed the agreement as "currently being the only logical solution, since the only alternative is a continuation of the war, which the Serb side would lose even before it started. Such peace is possible now because the Croats have no reason to enter into a conflict, while the Serbs do not have the strength to do so." Djindjic adds that, in his opinion, "the Belgrade authorities are to blame for Serb casualties, and the signing of peace actually confirms the calamity of the policy championed in 1990."

The Democratic Party of Serbia [DSS] is of the opinion that the agreement means that the last remaining part of the Republic of Serb Krajina [RSK] has been sold. "The Serbs in the region have not been granted any special status. In a year, two at most, they will become citizens of the Republic of Croatia without any special rights. It is questionable whether they will be granted the usual minority rights." This was stated by DSS spokesman Zoran Sami, who added that "postponing the solution for a year or two is only significant for the authorities in Serbia and the FRY, which will use the period to conceal the fact that it sold the remaining part of the RSK."

Serbian Radical Party President Vojislav Seselj said that "the Serbian Radicals have been warning of this outcome for months. Slobodan Milosevic has decided to give the Croats the eastern part of Serbian Krajina." He added that Milosevic needed the one year grace period "to give the Baranja Serbs time to move out gradually."

Seselj added that "Milosevic feared that another 48-hour exodus of western Krajina citizens could significantly threaten his regime." He added that Milosevic's "betrayal" would go further. "The Serb Republic, Montenegro, Kosovo and Metohija, Sandzak, and Vojvodina are next in line," Vojislav Seselj concluded.

Montenegro

Djukanovic, U.S. Officials Discuss Use of Bar

LD1511153995 Belgrade TANJUG Domestic Service in Serbo-Croatian 1423 GMT 15 Nov 95

[FBIS Translated Text] Podgorica, 15 Nov (TANJUG)—Montenegro Prime Minister Milo Djukanovic confirmed today that during his talks in Washington with senior representatives of the U.S Administration the idea of using the port of Bar to help with the deployment of the forces overseeing the implementation of the peace agreement for Bosnia was considered.

This issue emerged from the general standpoint of support for the peace process in Bosnia, Djukanovic stressed at a news conference during which he, together with Svetozar Marovic, speaker of the republic's parliament, spoke about the Montenegrin delegation's visit to the United States.

The visit of the Montenegrin delegation, which was led by Marovic and Djukanovic, took place between 5 and 13 November at the invitation of a group of U.S. congressmen.

The Montenegrin prime minister stressed that this is not a question of installing NATO forces in Montenegro but of transporting through the port of Bar the people and equipment which are vital in order to successfully realize the peace agreement for Bosnia.

That is an important political dimension of our verbal and strong support for the Bosnian peace process and a very good commercial venture for our port, which has been idle for three and a half years, Djukanovic said.

When asked if these foreign policy activities of the Montenegrin delegation included elements of separatism, Svetozar Marovic said the Montenegrin delegation respected the Constitution and legal order of its state.

Marovic and Djukanovic agreed that the visit to the United States was very successful.

Djukanovic confirmed that Prevlaka [disputed peninsula on Croatian-Montenegrin border] was discussed during the talks, and that the issue was raised in order to give the other side details about the peninsula's specific characteristics and its importance for peace in the region.

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